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Conference of the Parties

Report of the Conference of the Parties on its twentieth session, held in Lima from 1 to 14 December 2014

Addendum

Part two: Action taken by the Conference of the Parties at its twentieth session

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Decision 1/CP.20

Lima Call for Climate Action

The Conference of the Parties,

Reiterating that the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall be under the Convention and guided by its principles,

Recalling the objective of the Convention as set out in its Article 2,

Also recalling all the relevant decisions of the Conference of the Parties, particularly decisions 1/CP.17, 2/CP.18 and 1/CP.19,

Affirming its determination to strengthen adaptation action through the protocol, another legal instrument or agreed outcome with legal force under the Convention to be adopted at the twenty-first session of the Conference of the Parties (November-December 2015),

Recalling decisions 2/CP.19 and 2/CP.20 and welcoming the progress made in Lima, Peru, towards the implementation of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts,

Noting with grave concern the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels,

1. *Confirms* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall complete the work referred to in decision 1/CP.17, paragraph 2, as early as possible in order for the Conference of the Parties at its twenty-first session to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;

2. *Decides* that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall address in a balanced manner, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building, and transparency of action and support;

3. *Underscores* its commitment to reaching an ambitious agreement in 2015 that reflects the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances;

4. *Urges* developed country Parties to provide and mobilize enhanced financial support to developing country Parties for ambitious mitigation and adaptation actions, especially to Parties that are particularly vulnerable to the adverse effects of climate change; and recognizes complementary support by other Parties;

5. *Acknowledges* the progress made in Lima in elaborating the elements for a draft negotiating text as contained in the annex;

6. *Decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action will intensify its work, with a view to making available a negotiating text for a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties before May 2015;

7. *Requests* the secretariat to communicate the negotiating text referred to in paragraph 6 above to Parties in accordance with provisions of the Convention and the applied rules of procedure, while noting that such communication will not prejudice whether the outcome will be a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;

8. *Notes* that the arrangements specified in this decision in relation to intended nationally determined contributions are without prejudice to the legal nature and content of the intended nationally determined contributions of Parties or to the content of the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties;

9. *Reiterates* its invitation to each Party to communicate to the secretariat its intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2;

10. *Agrees* that each Party's intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2 will represent a progression beyond the current undertaking of that Party;

11. *Also agrees* that the least developed countries and small island developing States may communicate information on strategies, plans and actions for low greenhouse gas emission development reflecting their special circumstances in the context of intended nationally determined contributions;

12. *Invites* all Parties to consider communicating their undertakings in adaptation planning or consider including an adaptation component in their intended nationally determined contributions;

13. *Reiterates* its invitation to all Parties to communicate their intended nationally determined contributions well in advance of the twenty-first session of the Conference of the Parties (by the first quarter of 2015 by those Parties ready to do so) in a manner that facilitates the clarity, transparency and understanding of the intended nationally determined contributions;

14. *Agrees* that the information to be provided by Parties communicating their intended nationally determined contributions, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its intended nationally determined contribution is fair and ambitious, in light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2;

15. *Reiterates* its call to developed country Parties, the operating entities of the Financial Mechanism and any other organizations in a position to do so to provide support for the preparation and communication of the intended nationally determined contributions of Parties that may need such support;

16. *Requests* the secretariat to:

(a) Publish on the UNFCCC website the intended nationally determined contributions as communicated;

(b) Prepare by 1 November 2015 a synthesis report on the aggregate effect of the intended nationally determined contributions communicated by Parties by 1 October 2015;

17. *Encourages* all Parties to the Kyoto Protocol to ratify and implement the Doha Amendment to the Kyoto Protocol;

18. *Reiterates* its resolve as set out in decision 1/CP.19, paragraphs 3 and 4, to accelerate the full implementation of the decisions constituting the agreed outcome pursuant to decision 1/CP.13 and enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties;

19. *Decides* to continue the technical examination of opportunities with high mitigation potential, including those with adaptation, health and sustainable development co-benefits, in the period 2015–2020, by requesting the secretariat to:

(a) Organize a series of in-session technical expert meetings which:

(i) Facilitate Parties in the identification of policy options, practices and technologies and in planning for their implementation in accordance with nationally defined development priorities;

(ii) Build on and utilize the related activities of, and further enhance collaboration and synergies among, the Technology Executive Committee, the Climate Technology Centre and Network, the Durban Forum on capacity-building, the Executive Board of the clean development mechanism and the operating entities of the Financial Mechanism;

(iii) Build on previous technical expert meetings[1] in order to hone and focus on actionable policy options;

(iv) Provide meaningful and regular opportunities for the effective engagement of experts from Parties, relevant international organizations, civil society, indigenous peoples, women, youth, academic institutions, the private sector, and subnational authorities nominated by their respective countries;

(v) Support the accelerated implementation of policy options and enhanced mitigation action, including through international cooperation;

(vi) Facilitate the enhanced engagement of all Parties through the announcement of topics to be addressed, agendas and related materials at least two months in advance of technical expert meetings;

(b) Update, following the technical expert meetings referred to in paragraph 19(a) above, the technical paper on the mitigation benefits of actions, and on initiatives and options to enhance mitigation ambition, compiling information provided in submissions from Parties and observer organizations and the discussions held at the technical expert meetings and drawing on other relevant information on the implementation of policy options at all levels, including through multilateral cooperation;

(c) Disseminate the information referred to in paragraph 19(b) above, including by publishing a summary for policymakers;

20. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to make recommendations in relation to further advancing the technical examination process, including the periodic assessment of the technical expert meetings, to the Conference of the Parties at its twenty-first session;

[1] In 2014 the Ad Hoc Working Group on the Durban Platform for Enhanced Action undertook technical expert meetings on renewable energy, energy efficiency, land-use change and forestry (including REDD-plus), urban environments, carbon dioxide capture, use and storage and non-carbon dioxide greenhouse gases.

21. *Welcomes* the Lima Climate Action High-level Meeting convened by the President of the Conference of the Parties on 11 December 2014 and encourages the Executive Secretary and the President of the Conference of the Parties to convene an annual high-level event on enhancing implementation of climate action;

22. *Notes* the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

Annex

[English only]

Elements for a draft negotiating text[1]

A. *Preamble*[2]

Option 1: *[Placeholder for preamble]*

Option 2:

The Parties to this agreement,

In pursuit of the ultimate objective of the Convention as stated in its Article 2,

Being guided by the principles of the Convention as set out in its Article 3, including that Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with historical responsibility, common but differentiated responsibilities and the provisions of Article 4 of the Convention / evolving common but differentiated responsibilities and respective capabilities / evolving economic and emission trends which will continue post-2020, in order to progressively enhance the levels of ambition,

Recalling the provisions of the Convention and determined to further enhance its full, effective and sustained implementation from 2020 through a strengthened multilateral rules-based regime established by this agreement,

Also recalling the commitments undertaken by Parties under the Convention in accordance with its Article 4,

Further recalling all the existing decisions adopted by the Conference of the Parties to the Convention and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, including, in particular, the agreed outcome pursuant to the Bali Action Plan and the Doha Amendment,

Recalling the outcomes of the Rio+20 Conference, titled "the Future we want",

Option (a): *Acknowledging* that the global nature and urgency of climate change calls for the participation / widest possible participation, cooperation and ambitious action by all Parties,

Option (b): *Acknowledging* that the global nature and urgency of climate change calls for the widest possible cooperation of all Parties, as well as their participation and enhanced action in an effective and appropriate international response in accordance with their common but differentiated responsibilities and respective capabilities, and their specific national and regional development priorities, objectives and circumstances / social and economic conditions with developed country Parties taking the lead,

Being guided by the best available scientific knowledge, including, inter alia, the assessment reports / the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, and inputs and resources from Parties,

Recognizing that deep cuts in global greenhouse gas emissions will be required to achieve the ultimate objective of the Convention and the long-term temperature limit / holding the increase in global average temperature, and that such cuts must be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner,

Also recognizing that scenarios consistent with a likely chance of holding the global average temperature increase to below 2 °C relative to pre-industrial levels include substantial cuts in anthropogenic greenhouse gas emissions by mid-century and net emission levels near zero gigatonnes of carbon dioxide equivalent or below in 2100,

[1] These elements for a draft negotiating text reflect work in progress. They neither indicate convergence on the proposals presented nor do they preclude new proposals from emerging in the course of the negotiations in 2015.

[2] Headings and subheadings used throughout these elements for a draft negotiating text are provisional and only intended to orientate the reader.

Further recognizing that economy-wide emission reduction budgets provide the highest level of clarity, predictability and environmental integrity.

Acknowledging that carbon pricing is a key approach for cost-effectiveness of the cuts in global greenhouse gas emissions.

Option (a): *Emphasizing* that adaptation is a global challenge and a common responsibility that requires global solidarity that must be addressed with the same urgency as, and in political / legal parity with, mitigation.

Option (b): *Emphasizing* that adaptation is a global challenge that must be addressed with the same urgency as, and in balance with, mitigation, and that enhanced action and international cooperation on adaptation is urgently required in order to enable and support the implementation of adaptation actions.

Option (c): *Emphasizing* that enhanced action and international cooperation on adaptation is urgently required to enable and support the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing country Parties, taking into account the urgent and immediate needs of those developing countries that are particularly vulnerable.

Option (d): *Notes* that adaptation is a global challenge that must be addressed with the same urgency as mitigation.

Reaffirming the importance of education, training, public awareness, public participation, public access to information and international cooperation on these matters for promoting changes in lifestyles, attitudes and behaviour needed to foster low-emission and climate-resilient development and to mobilize public support for climate policies and action.

Also reaffirming the need for developed country Parties to provide new, additional, adequate and predictable financial resources, including financial resources for the transfer of technology to and capacity-building in developing countries for addressing mitigation and adaptation needs and complying with their obligations under this agreement, while ensuring a balanced financial resources allocation between adaptation and mitigation.

Stressing that all actions to address climate change and all the processes established under this agreement should ensure a gender-responsive approach, take into account environmental integrity / the protection of the integrity of Mother Earth, and respect human rights, the right to development and the rights of indigenous peoples.

Reaffirming that responses to climate change should be coordinated with social and economic development in an integrated manner with a view to avoiding adverse impacts on the latter, taking into full account the legitimate priority needs of developing countries and their right to equitable access to sustainable development and for achieving economic growth and the eradication of poverty.

Also reaffirming that all developing countries need access to the resources required to achieve sustainable social and economic development and that, in order for developing countries to progress towards that goal, their energy consumption will need to grow, taking into account the opportunities for achieving greater energy efficiency and for reducing greenhouse gas emissions, including through the application of new technologies on terms which make such an application economically and socially beneficial.

Recognizing that action / cooperative action by and among subnational authorities, intergovernmental organizations, civil society, indigenous peoples, local communities, the private sector, financial institutions and Parties can catalyse and significantly enhance the impact of policy implementation by Parties in reducing emissions, reducing vulnerability and building resilience to the adverse effects of climate change.

Recalling the Vienna Convention on the Law of Treaties.

Have agreed to further enhance the full, effective and sustained implementation of the Convention as follows / Have agreed as follows / Have agreed to this protocol, another legal instrument, or an agreed outcome with legal force with the aim of furthering the implementation of the Convention and its objective:

B. Definitions

For the purposes of this agreement the following terms are defined:

- The "governing body" means the governing body of this agreement;
- Party;

- "Emission reductions" means the sum of all reduced emissions and increased carbon stocks;
- (Other definitions as needed.)

C. *General / Objective*

1. This agreement aims to achieve universal participation and is to further enhance the full, effective and sustained implementation of the principles and provisions of the Convention, commitments under the Convention and existing decisions, and to strengthen the multilateral rules-based regime under the Convention in order to achieve the objective of the Convention as set out in its Article 2.

2. All Parties to strive to achieve low greenhouse gas climate-resilient economies and societies, on the basis of equity and in accordance with their historical responsibilities, common but differentiated responsibilities / evolving common but differentiated responsibilities and respective capabilities, in order to achieve sustainable development, poverty eradication and prosperity for the benefit of present and future generations of humankind, taking fully into account the historical responsibility of developed country Parties and their leadership in combating climate change and the adverse effects thereof, and bearing in mind that economic and social development and poverty eradication are the first and overriding priorities of developing country Parties.

3. ***Option 1***:

All Parties to take action and cooperate to further implement the Convention in order to reach its ultimate objective as stated in its Article 2, on the basis of equity and in accordance with their historical responsibilities and common but differentiated responsibilities / evolving common but differentiated responsibilities and respective capabilities, by achieving an emission pathway consistent with limiting the global average temperature increase to below 2 °C or 1.5 °C above pre-industrial levels, which entails:

3.1 ***Option (a)***: Ensuring significant global greenhouse gas emission reductions over the next few decades or a 40–70 per cent reduction in global greenhouse gas emissions below 2010 levels by 2050 and near-zero emissions of carbon dioxide (CO_2) and other long-lived greenhouse gases by the end of the century;

Option (b): Ensuring that global greenhouse gas emissions peak by 2020 at the latest, are reduced by at least 50 per cent by 2050 and continue to decline thereafter;

Option (c): Ensuring significant global greenhouse gas emission reductions over the next few decades in order to achieve a global goal for substantially reducing global emissions by 2050 / consistent with the agreed global goal for substantially reducing global emissions by 2050 / consistent with the agreed global goal, and based on the best available scientific knowledge and equitable access to sustainable development;

3.2 Ensuring resilience and adaptive capacity to the adverse effects of climate change, while recognizing the local, national and global dimensions of adaptation;

3.3 Ensuring that all investments are resilient to climate change / consistent with sustainable development and facilitate the transition to low-emission development paths and ensuring the adequacy of financial, technology and capacity-building support for developing countries towards achieving the implementation of this agreement / objective of the Convention.

Option 2:

All Parties to enhance action and cooperate to further implement the Convention in order to reach its ultimate objective as stated in its Article 2, in order to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system and to allow ecosystems to adapt naturally to climate change, in order to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner, which entails:

3.1 Parties to urgently work towards the deep reduction in global greenhouse gas emissions required to hold the increase in global average temperature below 2 °C / 1.5 °C above pre-industrial levels and to attain a global peaking of global greenhouse gas emissions as soon as possible, reaffirming that the time frame for peaking will be longer for developing countries;

3.2 Parties' efforts should be undertaken on the basis of equity and common but differentiated responsibilities and respective capabilities, and the provision of finance, technology transfer and capacity-building to developing countries in order to support their mitigation and adaptation actions under the Convention, and take into account the imperatives of equitable access to sustainable development, the survival of countries and protecting the integrity of Mother Earth.

Option 3:

All Parties to take action and cooperate to further implement the Convention in order to reach its ultimate objective as stated in its Article 2, on the basis of equity and in accordance with their common but differentiated responsibilities / evolving common but differentiated responsibilities and respective capabilities, by achieving an emission pathway consistent with limiting the global average temperature increase to below 2 °C or 1.5 °C above pre-industrial levels and with achieving climate resilience.

4. Parties recognize that the level and pace of mitigation ambition / efforts will determine the extent to which Parties will need to adapt and address loss and damage, and associated costs thereof, as well as the need to explore holistic and mutually reinforcing approaches to enhancing mitigation and adaptation efforts and to increase the overall level of ambition, which will depend on the extent of financial, technology and capacity-building support provided by developed country Parties to developing country Parties.

5. ***Option 1***: Each Party to take action at the highest level of ambition / mitigation ambition, reflecting its national circumstances, and to progressively increase that level of ambition;

   Option 2: All Parties to take action at the highest level of ambition and to progressively increase that level of ambition, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, with developed countries taking the lead;

   Option 3: Parties to enhance their actions and contributions in accordance with Article 4 of the Convention;

   Option 4: A global emission budget to be divided among all Parties, in accordance with the principles and provisions of the Convention, in order to limit global warming this century to below 1.5 °C according to the Intergovernmental Panel on Climate Change (IPCC) assessment. The distribution of the global emission budget should be undertaken in accordance with historical responsibilities, ecological footprint, capabilities and state of development.

6. ***Option 1***: Parties with the greatest responsibility and highest capability to demonstrate leadership:

   6.1 Developed country Parties to take the lead in fully implementing existing obligations under the Convention in relation to mitigation and support, in line with their historical responsibility;

   6.2 Leadership demonstrated by any Party to be recognized, as well as the need to incentivize and enable such leadership through cooperation and support.

   Option 2: Parties with the greatest responsibility and highest capability to demonstrate leadership.

   Option 3: In accordance with Article 4 of the Convention, developed country Parties to take the lead in fully implementing existing obligations and commitments under the Convention in relation to emission reduction and the provision of financial, technology and capacity-building support to developing country Parties, in line with their historical responsibility.

7. ***Option 1***: Commitments / contributions of Parties particularly vulnerable to the adverse effects of climate change, especially the least developed countries (LDCs) and small island developing States (SIDS), to reflect their efforts in the context of their specific needs and special situations;

   Option 2: Commitments / contributions / actions of developing country Parties, especially those referred to in Article 4, paragraphs 8–10, of the Convention, including the least developed countries (LDCs) and small island developing States (SIDS), to reflect their efforts in the context of sustainable development and their specific needs and special circumstances, bearing in mind that the extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and the transfer of technology.

8. ***Option 1***: All Parties to prepare, maintain, communicate and implement commitments / contributions / mitigation commitments / contributions in accordance with the provisions of this agreement and to be considered, formalized / finalized and reviewed in accordance with section K below;

   Option 2: In accordance with the principles and provisions of the Convention, all Parties to prepare, maintain, communicate and implement commitments / contributions in accordance with the provisions of this agreement, and to be considered, formalized / finalized and reviewed in accordance with section K below.

9. ***Option 1***: Unilateral measures not to constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade;

   Option 2: No reference to unilateral measures in the agreement.

10. This agreement to build on the subsidiary bodies / institutional arrangements established by or under the Convention:

Option 1: All subsidiary bodies / institutional arrangements established by or under the Convention shall serve this agreement, unless otherwise decided by the governing body. The governing body may provide further guidance as appropriate;

Option 2: The subsidiary bodies / institutional arrangements established by or under the Convention shall serve this agreement as specified in the relevant sections.[3]

11. ***Option 1***: All actors, including civil society, the private sector, financial institutions, cities and other subnational authorities, local communities and indigenous peoples, are encouraged to scale up their actions and provide further opportunities for Parties to reduce emissions and/or to decrease vulnerability and build resilience to the adverse effects of climate change, without prejudice to the provisions of the Convention;

Option 2: No provision on non-state actors.

12. ***Option 1***: Parties to cooperate, including through regional approaches, bilateral, multilateral, triangular / South–South and triangular cooperation, and to take appropriate measures to develop, adopt and implement policies, strategies, regulations and/or action plans on climate change education, training, public awareness, public participation and public access to information at all levels to enable transformative change towards low-emission and climate-resilient societies;

Option 2: In addition to the existing commitments under and provisions of the Convention, Parties to cooperate and take appropriate measures to develop, adopt and implement policies, strategies, regulations and/or action plans on climate change education, training, public awareness, public participation and public access to information so as to enhance action addressing climate change;

Option 3: Parties to cooperate, including through regional, bilateral and multilateral approaches.

Structural suggestions on section C

No need for a general section

Move paragraphs 5 and 8 to the mitigation section

Paragraphs 3, 5, 6, 7, 8, 10, 11 and 12 are or should be addressed elsewhere

Address content of paragraph 11 in a COP decision or a preambular recital

D. Mitigation

Long-term and global aspects of mitigation

13.

13.1 ***Option 1***: All Parties, in accordance with Article 4 and their common but differentiated responsibilities and respective capabilities and on the basis of equity, to enhance mitigation ambition and cooperate with a view to achieving the long-term emission reductions, in the context of Article 2 of the Convention, consistent with limiting the global average temperature increase to below 2 °C or 1.5 °C above pre-industrial levels and in the context of equitable access to sustainable development;

Option 2: All Parties to make efforts and cooperate on enhancing mitigation ambition to ensure that the aggregate level of mitigation commitments / contributions increases over time, so as to achieve the long-term emission reductions, in the context of Article 2 of the Convention, consistent with limiting the global average temperature increase to below 2 °C or 1.5 °C above pre-industrial levels;

Option 3: Parties to make efforts and cooperate to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, in accordance with the shared vision resulting from the Bali Action Plan, including holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels in the context of sustainable development, with developed country Parties taking the lead by undertaking ambitious emission reductions and providing finance, technology and capacity-building support to developing country Parties.

[3] See paragraphs 31, 33, 38, 57.1, 62.1, 92.

13.2 Parties' efforts to take the form of:

a. A long-term zero emissions sustainable development pathway:

- Consistent with carbon neutrality / net zero emissions by 2050, or full decarbonization by 2050 and/or negative emissions by 2100;
- Consistent with science and the findings of the / Intergovernmental Panel on Climate Change (IPCC) (e.g. 40–70 per cent below 2010 levels by 2050) in accordance with historical responsibilities, capabilities, and the state of development, while addressing vulnerabilities and in a cooperative manner;
- Consistent with a global reduction of greenhouse gas emissions of at least 50 per cent by 2050 compared with the levels in 1990 and a continued decline in emissions thereafter, in the context of equitable access to sustainable development and a global carbon budget;
- Consistent with emissions peaking for developed countries in 2015, with an aim of zero net emissions by 2050, in the context of equitable access to sustainable development;
- Consistent with a peaking of global greenhouse gas emissions as soon as possible, noting that the time frame for peaking may be longer in developing countries, in the context of equitable access to sustainable development.

b. A global emission budget to be divided among all Parties according to the principles and provisions of the Convention, so as to limit global warming in this century to below 1.5 °C according to the IPCC assessment. The distribution of the global emission budget should be undertaken in accordance with historical responsibilities, ecological footprint, capabilities, and state of development;

c. Stabilization of the concentration of greenhouse gases in the atmosphere at or below 350 ppm of CO_2 equivalent (CO_2 eq) in the context of equitable access to sustainable development;

d. A deviation from business as usual;

e. Low-emission development strategies.

14. Any agreed long-term objective shall be in the context of a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in sustainable manner, and shall also take into account vulnerabilities and managing transition in a sustainable manner.

Commitments / contributions / actions on mitigation

15. ***Option 1***: In accordance with Article 4 of the Convention, all Parties to progressively enhance the level of ambition of their mitigation commitments / contributions / actions such that each commitment / contribution / action is of a type, scope, scale and coverage more / no less ambitious than those previously undertaken under this agreement or the Convention or its Kyoto Protocol;

Option 2: Developed country Parties to progressively enhance the level of ambition of their mitigation commitments / contributions such that each commitment / contribution is of a type, scope, scale and coverage more / no less ambitious than those previously undertaken under this agreement or the Convention or its Kyoto Protocol;

Option 3: All Parties to progressively enhance the level of ambition of their mitigation commitments / contributions such that the scale and coverage is more / no less ambitious than those previously undertaken under this agreement or the Convention or its Kyoto Protocol;

Option 4: All Parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, to formulate, implement, publish and regularly update programmes containing measures to mitigate climate change in order to enhance their level of ambition after 2020.

16. ***Option 1***: In accordance with the principles of the Convention and its Article 4, each Party to prepare, communicate and implement successive nationally determined mitigation commitments / contributions / actions, which are to:

Option 2: Each Party to communicate and implement successive mitigation commitments / contributions/, which are to:

Option 3: Parties to prepare differentiated mitigation commitments for developed and developing country Parties, with developed country Parties to take the lead and developing country Parties to be provided flexibility, which are to:

16.1 ***Option 1***: Be quantified or quantifiable, which can be aggregated, and which are transparent, comparable and/or verifiable;

Option 2: Be quantified or quantifiable and which shall consider a fair and equitable distribution of the global emission budget according to a compound index of countries' participation in such a budget, and which are transparent, comparable and/or verifiable;

Option 3: Be quantified, which can be aggregated, and which are comparable, measurable, reportable and verifiable for developed country Parties, with the type, scope, scale and coverage more ambitious than those undertaken under the Convention and its Kyoto Protocol during the pre-2020 period.

Be quantified, quantifiable or qualified in a measurable, reportable and verifiable manner for developing country Parties, based on their nationally appropriate mitigation actions (NAMAs) under the Bali Action Plan;

16.2 Be accompanied by information aimed at enhancing the clarity, transparency and understanding of these commitments / contributions / actions;

16.3 ***Option 1***: Include an indicative long-term trajectory consistent with paragraph 13 above;

With developed country Parties to take the lead and make an adequate and equitable contribution to achieve the ultimate objective of the Convention as set out in its Article 2. Developing country Parties may need flexibility in indicating such long-term trajectories;

Option 2: For developed country Parties to include an indicative long-term trajectory;

For developing country Parties to be encouraged to develop a long-term green and low-carbon development strategy, plan or programme, as appropriate;

16.4 ***Option 1***: Be based on national circumstances and capacities;

Option 2: Be based on the following:

a. Common but differentiated responsibilities and respective capabilities, equity and national circumstances and capacities;

b. Parties to include one of the following options, in accordance with their common but differentiated responsibilities, national circumstances, development levels and capabilities, while recognizing that the emissions of developing countries will grow to meet their social and development needs: (i) a quantified, economy-wide, absolute emission limitation or reduction target in relation to a baseline year; (ii) a quantified, economy-wide emission limitation or reduction target relative to a projection of its emissions (iii) a quantified, economy-wide emission limitation or reduction target relative to unit of GDP in relation to a previous year; (iv) a quantified, economy-wide emission limitation and reduction target per capita; (v) non-economy-wide actions:

- Developed country Parties to take the lead in accordance with Article 3, paragraph 1, and Article 4, paragraph 2, of the Convention through quantified economy-wide, absolute emission reduction targets / commitments;
- Developing country Parties, which have been provided with means of implementation, to prepare, communicate and implement a diversity of enhanced net mitigation commitments / contributions / actions in accordance with Article 3, paragraph 1, of the Convention and in the context of sustainable development, ranging from economy-wide absolute limits on emissions, relative emission reductions, intensity targets, nationally appropriate mitigation actions, low-emission development plans and strategies, sectoral mitigation plans and strategies / taking into consideration paragraph X above;
- Developing country Parties to take a diversity of nationally determined actions in accordance with their specific needs and special circumstances as stated in Article 3, paragraph 2, of the Convention, including net avoided emissions, or also manifested as adaptation co-benefits, where appropriate;
- Developing country Parties to prepare their actions in accordance with Article 3, paragraph 1, of the Convention and their circumstances and capacities, through nationally appropriate mitigation actions, subject to the provision of means of implementation and in accordance with Article 4, paragraph 7, of the Convention;
- Major economies to take on quantified economy-wide emission reduction targets / commitments;
- Parties not included in Annex I to the Convention (non-Annex I Parties) that are in a position to do so to take on quantified economy-wide emission reduction targets / commitments;
- All Parties to take on quantified economy-wide emission reduction targets / commitments at some point in the future in accordance with their national circumstances, development levels and capabilities;

- LDCs to implement non-economy wide actions and are encouraged to develop and implement low-emission development strategies;
- For all Parties on the basis of categories that are updated over time based on evolving emissions and economic trends

16.5 ***Option 1***: Mitigation commitments / contributions / actions of all Parties to be communicated and implemented without conditions;

Option 2: Mitigation commitments / contributions / actions of developed country Parties to be communicated and implemented without conditions;

Option 3: Each Party to communicate commitments / contributions / actions specifying an unconditional portion and may also include a conditional one;

Option 4: Mitigation commitments / contributions / actions of developing country Parties to be prepared, communicated and implemented subject to the provision of finance, technology development and transfer, and capacity-building. Developing country Parties may specify additional enhanced levels of mitigation commitments / contributions according to different levels of enhanced support by developed country Parties.

17. All Parties to maintain commitments / contributions / actions at all times.

18. ***Option 1***: Parties' proposed mitigation commitments / contributions / actions to be communicated and considered as well as formalized / finalized and reviewed in accordance with section K below;

Option 2: Parties' mitigation commitments / contributions / actions should be communicated and implemented in accordance with Article 12 of the Convention and through relevant arrangements based on the agreed outcome pursuant to the Bali Action Plan.

Parties' mitigation commitments / contributions reflected in two attachments to the agreement, one for developed and one for developing country Parties. One is a common tabular format for developed country Parties and the other a compilation of communications for developing country Parties;

Option 3: Upon joining the agreement, all Parties to submit a schedule reflecting the nationally determined contribution they intend to implement.

Parties to maintain schedule thereafter.

19. Parties may prepare, communicate and implement mitigation commitments / contributions / action jointly in accordance with decisions to be adopted by the governing body and taking into account any arrangements developed under paragraph 92.

20. ***Option 1***: The secretariat to keep and update accordingly an online registry of national mitigation targets, and actions; registry to be integral part of the agreement;

Option 2: The secretariat to maintain a list of the schedules of Parties in an information document that is made available online.

21. All Parties to develop low emission strategies.

22. All Parties to take into account joint mitigation and adaptation approaches for the integral and sustainable management of forests.

23. In meeting their commitments / contributions / actions, Parties may make use of market mechanisms and actions in the land-use sector in accordance with X.

23.1 The use of market mechanisms is to:

a. Mobilize the widest range of potential investments for adaptation and mitigation;

b. Create incentives for early action;

c. Incentivize and coordinate effective mitigation and adaptation action from the broadest range of actors, including the private sector, to support the implementation of this agreement;

d. Ensure consistency with individual commitments / contributions;

e. Be in accordance with the provisions on transparent accounting as contained in section J *(Transparency of action and support)*, in particular to avoid double counting.

23.2 The use of market mechanisms shall be supplementary to domestic action.

Institutional arrangements

24. ***Option 1***: Parties to analyse and give full consideration to what actions are necessary to meet the needs arising from the impacts of the implementation of response measures related to the mitigation commitments taken on, particularly the specific needs and concerns of developing country Parties;

Option 2: Strengthen existing arrangements by establishing a cooperative mechanism (platform) under the Convention to manage the transition to low greenhouse gas pathways, which would identify and then measure the impacts, and which would use existing tools as much as possible and further develop tools to address identified gaps and ensure their operationalization:

Option (a): The governing body shall develop and adopt modalities for:

a. An international / cooperative mechanism under the Convention to manage the transition to low GHG pathways that would identify and then measure the impacts, and which would use existing tools as much as possible and develop further tools to address identified gaps and ensure their operationalization:
   - A no-incidence arrangement to be included to safeguard economic development in developing countries;
   - In accordance with Article 4, paragraphs 8–10, of the Convention.

b. An international institution;

c. A permanent forum under the Subsidiary Body for Scientific and Technological Advice (SBSTA).

Option (b): No new arrangements for response measures within this agreement.

Structural suggestions on section D:

Accounting rules:

Option 1: Move provisions on accounting rules from section J (transparency) into this section;

Option 2: Retain provisions on accounting rules in section J.

Time frame and steps:

Option 1: Move provisions from section K into this section;

Option 2: Retain provisions in section K.

E. Adaptation and loss and damage

Adaptation

Long-term and global aspects of adaptation

25. ***Option 1***: All Parties in accordance with the principles and provisions of the Convention, its Article 4 and their common but differentiated responsibilities, and previous decisions of the Conference of the Parties (COP) to commit to cooperate to adapt to the adverse effects of climate change, ensure resilience and protect citizens and ecosystems in the context of the long-term temperature limit and to achieve sustainable development, while recognizing the local, national and transboundary dimensions of adaptation:

25.1 All / Developed country Parties to undertake the steps necessary to ensure that the level of support meets the needs for adaptation in developing countries in the context of the long-term temperature limit: Request to the SBSTA to develop methodologies for this purpose;

25.2 All Parties commit to increase efforts to adapt to climate change impacts, reduce vulnerability and increase resilience in the context of the actual increase in global mean temperature, taking into account the relationship between mitigation ambition, associated climate change impacts, and consequent adaptation needs, costs, and co-benefits.

Option 2: Developed county Parties commit to enhance support to developing country Parties in terms of finance, technology, and capacity-building, and to enable developing countries to enhance their adaptation actions so as to ensure their resilience;

Option 3: Establish a global goal for adaptation;

Option 4: No global goal for adaptation;

Option 5: Establish universal individual commitments / actions.

Commitments / contributions / actions / Commitments under Article 4 of the Convention on adaptation

26. ***Option 1***: Each Party / Developing country Parties to prepare and implement adaptation commitments / contributions / actions under Article 4 of the Convention by integrating / integrate adaptation within national development planning, mainstream adaptation into national policies, undertake a national adaptation plan (NAP) process, and strengthen governance and enabling environments subject to modalities and procedures to be developed and adopted by the governing body:

26.1 Commitments / contributions / actions / commitments under Article 4 of the Convention should be country-driven, gender-sensitive, participatory, and fully transparent, take into account vulnerable groups and ecosystems, be based on science and traditional and indigenous knowledge, and promote the engagement of subnational and local authorities and other stakeholders;

26.2 Developed country Parties' commitments / contributions / actions under Article 4 of the Convention to be in accordance with the relevant provisions of the Convention, reflecting / and reflect their obligation to support adaptation in developing countries in accordance with realizable temperature scenarios, in particular in SIDS and the LDCs. / Developed countries to ensure the provision of new and additional, adequate and predictable financial resources and the transfer of technology and capacity-building to meet the costs in developing countries of addressing the adverse effects of climate change and to enable developing countries to enhance their actions to adapt to climate change so that developing countries may achieve sustainable development;

26.3 Developed countries commit to provide at least USD 50 billion per year during the period from 2020 to 2025, at least USD 100 billion per year by 2020 for adaptation activities of developing countries, in order to fulfil the obligations under Article 4, paragraphs 4, 5, 8, and 9, of the Convention;

26.4 Developed countries should formulate adaptation support plans, including overall objectives, milestones, and sources of finance for supporting adaptation actions in developing countries in terms of finance, technology, and capacity-building to address the urgent needs of developing countries and ensure long-term support;

26.5 Developing country Parties' adaptation commitments / contributions / actions to:

a. Be in accordance with the relevant provisions of the Convention;

b. Include economic diversification;

c. Encourage developing country Parties to showcase their efforts and needs and to help to recognize national efforts consistent with the long-term temperature limit;

d. Be supported by predictable, grant-based, long-term, additional and measurable finance, technology, and capacity-building support from developed country Parties, Parties included in Annex II to the Convention (Annex II Parties), and/or all Parties in a position to do so;

e. Not impose additional burdens or reporting requirements on developing country Parties, in particular on SIDS and the LDCs;

f. Build on adaptation mechanisms and processes under the Convention, including national adaptation plans (NAPs) and national adaptation programmes of action, and existing arrangements for finance. All developing countries are not in the position to make financial commitments or contributions to any institutional or international mechanisms. Adaptation investments by developing countries should be recognized as their contributions to the global effort to respond to climate change.

26.6 ***Option (a)***: Commitments / contributions / actions to be consistent with / informed by the NAP process subject to modalities and procedures to be developed and adopted by the governing body:

a. NAPs provide the basis for all countries to assess vulnerabilities and identify and implement adaptation measures;

b. NAPs to go beyond planning and mainstreaming / into concrete actions on the ground / implementation / integrating by defining modalities for support and implementation;

c. Ensure that the NAP process is undertaken in all interested developing countries, in particular in SIDS and the LDCs, and in Africa;

d. The provision of support for NAPs to build on progress made by the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), the Green Climate Fund (GCF), the Adaptation Fund, the Least Developed Countries Expert Group, the Adaptation Committee and multilateral and bilateral organizations and agencies.

Option (b): Parties, through the NAP process, to strive in the medium and long term to reduce vulnerability to the impacts of climate change and facilitate the integration of climate change adaptation, in a coherent

manner, into relevant new and existing policies, programs and activities, in particular national development planning processes and strategies. National adaptation planning processes should not be mandatory or prescriptive nor result in the duplication of efforts undertaken, but should rather facilitate country-owned, country-driven action.

Option 2: Parties undertake national adaptation planning processes, with a view to integrating climate resilience into national level planning and action in order to reduce vulnerability, and to strengthen governance and enabling environments. All Parties should take adaptation actions. Those Parties with limited capacities require support from those countries in a position to provide such support.

27. Parties to communicate their commitments / contributions / actions / commitments under Article 4 of the Convention / adaptation priorities / support / level of support needs through the intended nationally determined contribution (INDC) process, in accordance with the modalities and procedures to be developed and adopted by the governing body / progress in enhancing adaptation action or integrating adaptation into planning, policies or action through biennial communications:

    27.1 National communications and biennial update reports and biennial reports to be the main vehicle for reporting actions, and support and to be strengthened;

    27.2 The governing body shall adopt further guidance on reporting on adaptation and further facilitating / may facilitate the sharing of information on progress and experiences in preparing and implementing adaptation actions;

    27.3 The governing body shall / may develop a structured dialogue to enhance communication of information on adaptation, in accordance with common but differentiated responsibilities and respective capabilities. Developed countries to enhance reporting on support.

28. Parties to take into account joint mitigation and adaptation approaches referred to in section D, paragraph 22.

Monitoring and evaluation / Monitoring and evaluation for Annex II Parties

29. ***Option 1***: Monitoring and evaluation of, reporting on, and learning from plans, policies and programmes shall be strengthened and /or institutionalized:

    a. Strengthen and improve climate-related research and systematic observation and provide enhanced support;

    b. Consider indicators for governance and planning;

    c. Monitor gaps in adaptation and needs under different scenarios;

    d. Monitoring and evaluation to focus on the provision and adequacy of support.

Option 2: Monitoring and reporting should be on progress and experiences, lessons learned, good practices, and on gaps and opportunities more broadly;

Option 3: Monitoring and evaluation, including reporting and learning from plans, policies and programmes should be a country-driven and country-specific process that would not impose any additional burden on developing country Parties; developed country Parties should support developing country Parties to strengthen and implement climate-related research and systematic observation, and should provide enhanced support and monitor gaps in adaptation and needs under different scenarios.

haring information, knowledge and lessons learned

0. All Parties to enhance learning on adaptation through sharing of information, knowledge and lessons learned on adaptation practices, subject to modalities and procedures to be adopted / developed:

    30.1 The governing body shall request the SBSTA / Adaptation Committee to develop guidelines for strengthening the sharing of information, knowledge and lessons learned under the Nairobi work programme on impacts, vulnerability and adaptation to climate change:

    a. Address the knowledge gap in the area of implementation of adaptation;

    b. Strengthen local and institutional capacity;

    c. Enhance regional and transboundary aspects;

    d. Encourage all Parties to implement education and public awareness programmes in accordance with paragraph 12.

Institutional arrangements

31. ***Option 1***: Developed country Parties and Annex II Parties and/or all Parties in a position to do so to ensure the effective implementation of arrangements for adaptation through the provision of sufficient adequate, predictable, transparent and additional support to developing country Parties in the context of Article 4, paragraphs 3–5 and 7 of the Convention:

Option 2: Institutional arrangements on adaptation / relevant to adaptation, including the Adaptation Committee and the Least Developed Countries Expert Group, and to loss and damage under the Convention shall serve this agreement and support Parties in the implementation of their adaptation commitments / contributions / actions under this agreement:

31.1 The governing body shall request the Adaptation Committee to:

a. Review the work of the institutional arrangements under the Convention in 2017 to ensure and enhance the coherence of their work, and prepare recommendations for consideration at COP 23 and/or the governing body;

b. Establish and maintain stronger linkages with the GCF and other funds;

c. Evaluate information on support for adaptation;

d. Provide recommendations on existing methodologies for adaptation.

31.2 The governing body shall strengthen institutional arrangements for adaptation by:

a. Providing further guidance on how to assist developing country Parties to move to full-scale implementation on the basis of their NAPs;

b. Articulating linkages between, and enhancing the integrated operation of, institutions and/or optimizing assistance for commitments / contributions on adaptation to ensure that the existing institutions such as the Adaptation Committee, the Technology Executive Committee (TEC), the Standing Committee on Finance (SCF), and the GCF are enhanced and to support adaptation actions of developing countries;

c. Encouraging the establishment of regional adaptation centres in major regions to help to localize support, conduct research, exchange knowledge and provide training for governments.

31.3 The governing body shall further strengthen institutional arrangements for adaptation by:

Option 1: Establishing new institutional arrangements:

a. A subsidiary body for adaptation to enhance the implementation of adaptation action;

b. An adaptation registry that:

- Records and showcases and/or recognizes national adaptation actions, contributions, and programmes;
- Enhances cooperation on finance, technology and capacity-building support;
- Pools information on the work of institutional arrangements under the Convention and makes that information accessible to Parties;
- Monitors and identifies progress and gaps in adaptation from a global perspective.

c. An international clearing house and registry that:

- Acts as the repository for NAPs, adaptation methods, a roster of adaptation experts, biennial adaptation support reports, and for information on technology and capacity-building for adaptation;

d. An adaptation technical and knowledge platform that works on, inter alia:

- Methodologies, metrics and indicators;
- Modelling of climate change scenarios and impacts;
- Enhancing understanding of global implications of adaptation.

e. A global knowledge platform that works on, inter alia:

- Data, information, and lessons learned on adaptation.

Option 2: No new institutional arrangements on adaptation are required for the purposes of this agreement.

Loss and damage

32. ***Option 1***: Provision for loss and damage for cases where mitigation and adaptation will not be sufficient:

32.1 All Parties are encouraged to develop early warning systems and risk management plans, and communicate them to the secretariat by [X] as part of their national communications, in accordance with the modalities and procedures to be developed and adopted by the governing body;

32.2 The governing body shall commence a process no later than at its first meeting to establish a compensation regime for support for developing country Parties, particularly the LDCs, SIDS and countries in Africa affected by slow onset events.

Option 2: Reference to the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts;

Option 3: No reference to loss and damage.

33. ***Option 1***: The Warsaw International Mechanism shall serve this agreement and be fully operationalized, with modalities and procedures to be developed and adopted by the governing body:

33.1 Developed country Parties and/or Annex II Parties and/or all Parties in a position to do so to support the implementation of the Warsaw International Mechanism through provision of finance;

33.2 Guidelines for a comprehensive approach to climate risk management to be developed;

33.3 Institutional arrangements under the Convention shall be strengthened to support the implementation of the commitments related to loss and damage under this agreement:

a. Provisions for establishing a climate change displacement coordination facility that:

- Provides support for emergency relief;
- Assists in providing organized migration and planned relocation;
- Undertakes compensation measures.

b. Provisions for establishing a clearing house for risk transfer that:

- Provides a repository for information on insurance and risk transfer;
- Assists Parties in developing risk management strategies and finding best insurance schemes;
- Facilitates financial support for rehabilitation.

Option 2: No new institutional arrangements on loss and damage are required for the purposes of this agreement. The Warsaw International Mechanism to be strengthened separately from the agreement / is sufficient.

Structural suggestions on section E:

Move paragraph 25 into a common chapter relating to institutions.

Include paragraph 25 in a decision.

Move paragraph 25.1 into the finance chapter.

Move paragraphs 26 and 27 into a common chapter relating to commitments.

Coordinate paragraphs 26 and 27 with section K.

Include paragraphs 29 (a–d) in a decision.

Reflect paragraphs 25 to 27 in the agreement text and paragraphs 29 to 31 in a decision.

Merge paragraph 30 with paragraph 31 on institutions.

Include paragraph 30 into a decision.

Loss and damage should be a separate element.

~~F. Cooperation and support for implementation~~

Note:

Paragraphs in this section relevant to mitigation have been integrated in the mitigation section.

Paragraphs in this section relevant to finance have been integrated in the finance section.

Paragraphs in this section relevant to institutional arrangements have been integrated in section M (subsection on institutional arrangements).

G. Finance

Guiding principles

34. ***Option 1***: All developed country Parties and other Parties included in Annex II to provide climate finance as a means to meet the goal of staying below the 2 °C temperature increase and to achieve the transformation required to that end and in line with the needs of developing countries, in accordance with their obligations and commitments under Articles 4, paragraphs 3–5 and 7–9, of the Convention, the principles under the Convention, in particular the principles of common but differentiated responsibilities and respective capabilities and equity, noting that the extent to which developing country Parties will effectively implement their commitments will depend on the effective implementation by developed country Parties of their commitments related to financial resources, transfer of technology and capacity-building, acknowledging that the need for support by developing country Parties may change over time and be accommodated under Article 4, paragraph 7, of the Convention, and acknowledging the need for financing for forestry in line with the Warsaw Framework for REDD-plus;

Option 2: Each Party / All Parties individually or collectively to mobilize climate finance through a diversity of actions from a variety of sources as a means to stay below the long-term temperature limit and to achieve the transformation required to that end, according to and in line with their respective and evolving responsibilities and capabilities / the principles and objectives of the Convention, acknowledging the importance of leadership to be taken by developed country Parties, acknowledging that some Parties need support in order to take action, and acknowledging that the need for support by Parties may change over time or be met with different means of support/ all Parties in a position to do so should provide financial support to Parties in need of support; acknowledging the need for climate-resilient economies and societies.

35.

35.1 The mobilization and provision of finance shall:

a. Deliver adequate and predictable funding for the full and enhanced implementation of the agreement, enhance addressing climate change as part of promoting sustainable development, in particular in developing countries, including through enabling enhanced mitigation and adaptation actions;

b. Encourage low-emission growth, reductions in high-carbon investment, and adaptation needs of developing countries, and climate-resilient development;

c. Support the integration of climate objectives into other policy-relevant areas and activities such as energy, agriculture, planning and transport, national fiscal accounts, development policy and plans in line with country circumstances and according to countries' priorities;

d. Promote continuous efforts to 'climate-proof' investments, including relevant international public finance flows;

e. Enhance addressing climate change in addition to the coordination of development aid, acknowledging that climate finance is to be separate from official development aid;

f. Encourage policy signals by governments / catalyse policy actions by governments and adjustment or improvement of policies;

g. Deliver additional adequate and predictable funding for adaptation, in particular for the implementation of the Cancun Adaptation Framework, for building institutional capacity and appropriate legal frameworks, integrating adaptation into national development policies, and for monitoring and evaluation processes;

h. Advance the implementation / fulfilment of commitments by developed country Parties in terms of finance, technology transfer and capacity-building to enable developing country Parties to implement policies, strategies, regulations and action plans on climate change education, training, public awareness, public participation and public access to information and thus enable effective adaptation and mitigation action by all Parties;

i. Facilitate assistance to developing country Parties for readiness support. / Support readiness for implementation / implementing climate actions.

35.2 Parties / Developed country Parties and other Parties included in Annex II to mobilize and provide financial resources for the enhanced implementation of the Convention under this agreement, in order to / in a manner that:

a. ***Option 1***: Ensures an equal allocation of financing between adaptation and mitigation, ensures an equitable distribution between different regions of developing countries and enhances country ownership in the disbursement of financial resources;

Option 2: Aims at a balanced approach of a 50:50 allocation of financing for adaptation and mitigation while recognizing the importance of financing for adaptation.

Option 3: Prioritizes adaptation, with all financing for adaptation to be grant-based / Encourages Parties to prioritize grant-based assistance for adaptation, while recognizing the importance of financing for mitigation;

b. Prioritizes developing country needs and identified country-driven plans, strategies and priorities of all countries, recognizing the importance of enhancing national needs assessments;

c. ***Option 1***: Takes into consideration the need for adequacy and predictability in the flows of funds and the need for clarity of appropriate burden-sharing among developed countries;

Option 2: Is new, additional, adequate, predictable and sustainable, within budgetary constraints, and acknowledges the need for adequate financial flows mobilized from a variety of sources, public and private, bilateral and multilateral, including alternative sources, in the context of meaningful mitigation action and transparency of implementation;

d. Is flexible and systematically and regularly scaled up / updated;

e. Is results-based / needs-based and delivers the greatest impact possible and targets the effectiveness of mitigation and adaptation action / mitigation and adaptation results that can be measured, reported and verified;

f. Avoids duplication, allows for flexibility, ensures efficiency and transparency and builds a partnership among governments, development partners and the private sector to invest in a low-emission and climate-resilient future;

g. Encourages South–South cooperation which is voluntary, free of monitoring and can be supplementary / complementary, but not substitute commitments of Parties included in Annex I to the Convention while acknowledging that South–South cooperation is not a commitment of Parties under the Convention;

h. Recognizes developing countries' / all Parties' investments in supporting transformational change as part of their contributions;

i. Applies lower thresholds for receiving support for actions, with clear, transparent and quantifiable targets that go beyond 'business as usual';

j. Is capable of adapting dynamically to changing realities and future developments and needs, including in respect to climate finance, in line with the provisions and principles of the Convention, in particular the principle of common but differentiated responsibilities / reflecting evolving capabilities and responsibilities;

k. Takes into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change / Prioritizes the specific needs and special circumstances of the most particularly vulnerable countries, including landlocked countries, recognizing the special circumstances of LDCs and SIDS, giving priority to countries with least capabilities and/or ensuring a fair geographical allocation of resources, while ensuring that the importance of providing support to other developing countries is in no way diminished;

l. Uses the diversity of available channels and instruments under the Convention so as to limit the proliferation of finance in order to increase its efficiency and effectiveness and encourage the accountability and transparency of the UNFCCC in the provision of financial support, the mobilization of climate finance and the shift towards climate-friendly investments;

m. Pursues a gender-sensitive and country-driven approach;

n. Targets the drivers of climate change;

o. Encourages Parties to build effective enabling environments and provides recognition of the importance of implementing low-carbon, climate-resilient development strategies and NAPs;

p. Encourages Parties to take steps to eliminate public incentives for high-carbon investments;

q. Recognizes that climate finance flows are not limited to flows from developed to developing country Parties;

r. Collectively exceeds the aggregate ambition of individual commitments / contributions;

s. Develops and improves enabling environments for the enhanced mobilization of support;

t. Is quantifiable, comparable and transparent;

u. Establishes links and builds synergies between mitigation and adaptation actions;

v. Enhances / catalyses international cooperative initiatives and recognizes their contribution to assisting Parties' implementation of this agreement.

36. All Parties to cooperate in the implementation of this agreement in order to:

a. Support the enhanced ambition of all Parties, through the provision of support from Annex II Parties to developing country Parties;

b. Enable Parties' best efforts based on their respective capabilities, foster country ownership and achieve sustainable development.

37. Efforts of subnational and local governments, subregional entities and the private sector to be recognized.

Anchoring institutions under the legal agreement

38. The Financial Mechanism shall serve as the financial mechanism of the 2015 agreement:

a. The GCF shall be the main financial entity under the new agreement and/or anchored in the new agreement and/or strengthened;

b. The SCF shall assist the governing body of the agreement;

c. Coordination to be further enhanced among contributors and between institutions.

Option 1: This will also apply to the operating entities of the Financial Mechanism and funds established under the Convention and its Kyoto Protocol. All the rules and guidelines developed by the COP and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol in relation to the operation of the Financial Mechanism, its operating entities and associated funds shall apply mutatis mutandis to the financial mechanism of this agreement:

a. The GCF shall be strengthened, including regarding funding, as follows:

- Annex I Parties / Developed country Parties to provide 1 per cent of gross domestic product per year from 2020 and additional funds during the pre-2020 period to the GCF;
- Annex II Parties to provide a list of specific amounts / percentages reflecting the required share of climate finance to be provided to the GCF, subject to review;
- All countries in a position to do so to provide funding to the GCF;
- Funding for the GCF to be drawn mainly from public sources.

b. Other funding mechanisms serving the agreement shall include:

- The Adaptation Fund
  - To be part of the post-2015 climate finance architecture and/or to operate under the new agreement under the guidance of the governing body in relation to activities developed under the agreement;
  - To be enhanced and included under the GCF as an adaptation window, be inscribed in the new climate regime and defined in the financing sphere of the agreement;
- Institutional arrangements for REDD-plus finance;
- The LDCF, to provide support to the LDCs for adaptation action;
- The SCCF, to be anchored in the agreement.

Option 2: No further provisions.

Proposals for decisions related to anchoring institutions under the agreement

- Clear roles should be agreed on the two existing operating entities of the Financial Mechanism of the Convention and coherence should be achieved in climate finance channelled through other financing institutions;
- The COP to be given the authority to adjust institutional settings, to take decisions on consolidating and coordinating institutions and processes, and/or to give guidance to the operational entities as needed, at a later stage;
- Need for the simplification, improvement and rationalization of access, including direct access, especially for the LDCs and SIDS, and/or the harmonization of approval and accreditation processes between various channels and institutions leveraging potential non-climate-specific financing mechanisms and institutions; and/or the operation of all funds under the Convention to be transparent, competitive and based on rules, with operating criteria underpinning those rules that are compatible with the requirements of private investors, in order to effectively stimulate co-investment; and/or information on how all disbursements include provisions for 'climate proofing' measures;
- The Financial Mechanism must continue to be main source of financing;

- The replenishment of the Financial Mechanism and its operating entities to be linked to IPCC scientific assessments;
- Need to establish how the operating entities of the Financial Mechanism will work to implement the finance provisions of the new agreement and how the financial provisions will work with respect to other bodies or mechanisms under the Convention;
- The SCF shall assist the governing body of this agreement and be further strengthened:
  - By enhancing its work on coherence and coordination and on rationalizing the Financial Mechanism.
- Regarding the GCF:
  - The establishment of a window for REDD-plus, and/or for loss and damage;
  - Need for improved and prioritized access for the LDCs and SIDS and/or arrangements between thematic bodies of the Convention and the GCF to be strengthened;
  - The GCF to operate under the guidance of the governing body in relation to activities developed under this agreement, and/or to support mitigation readiness activities in developing countries, and/or to capitalize on its knowledge of existing funds and increase its role by helping to finance some of the pipeline projects of those funds;
  - The governing body of this agreement to explore further options for simplifying the procedures for accessing funds from the GCF, and/or develop, jointly with the COP, specific additional modalities for the operation of the GCF with respect to activities developed under this agreement.
- Decision to address additional rules of the Financial Mechanism and institutions in supporting the implementation of the legal agreement, where appropriate.

Addressing the scale of resources

39. Climate finance to be scaled up to provide the financing, access to technology and capacity-building necessary to meet the goal of limiting the temperature increase to below 2 °C, in line with the needs of developing countries.

40. The importance of providing clarity on the level of support, in particular financial support, that will be provided to developing countries to allow for the enhanced implementation of the Convention, in particular with regard to adaptation, to be recognized as a crucial element in creating the necessary conditions for the enhanced participation of developing countries in the global effort to combat climate change and adapt to its adverse effects.

41. ***Option 1***: The provision of finance to be based on a floor of USD 100 billion per year:

    a. Based on an ex ante process to commit quantified support commensurate with the required effort reflected in the adaptation and mitigation goals / relative to the required effort and in line with developing countries' needs;

    b. Based on clear burden-sharing arrangements among Annex II Parties to identify the flows of financial support from developed countries, including through the application of an assessed scale of contributions from developed countries;

    c. Including aggregate and enhanced specific / individual commitments / contributions by Annex II Parties, complemented by other Parties in a position to do so;

    d. Based on a road map with annual targets for public funding in the post-2020 period or pathways with annual expected levels of climate finance towards achieving short-term quantified goals;

    e. Based on an agreed percentage formula for the calculation of the contributions of Annex I Parties and differentiated developing country contributions based on GDP or other indicators.

    Option 2: Agreement not to specify individual / quantified commitments, quantified targets or specific indicators for the post-2020 period.

42. A short-term collective quantified goal that defines the expected, scaled-up climate finance level for the post-2020 period should be determined in order to enhance the predictability of the provision of climate finance, indicating specific levels of public sources to be provided.

Contributions under the legal agreement

43. In the context of common but differentiated responsibilities and respective capabilities, Annex II Parties have the principle and main responsibility for providing support, including financial resources, for the enhanced implementation of low-emission and climate-resilient development in developing countries, while ensuring the sustainability, predictability and additionality of finances.

44. The contribution of resources under this agreement to consider predictable financial contributions by developed country governments; increasing options for leveraging a greater share of the carbon market-related proceeds, including options for carbon pricing and raising contributions via alternative and innovative sources of finance.

45. A collective goal for support to be achieved by all Parties in order to transition to a world in which all investments are directed at resilient and low-emission actions, and where finance, technology transfer and capacity-building that promote low-emission and resilient actions prevail.

46. ***Option 1***: The enhancement of enabling environments, with respect for countries' national prerogative to choose their domestic climate policies, to be a commitment of all Parties, through:

    a. Enhanced national regulatory frameworks, including policies and measures;

    b. The dedication of sufficient domestic resources by countries seeking support;

    c. Putting in place conditions to mobilize, attract and absorb climate-related investments;

    d. The provision of a price signal for emission reductions, including through payments for verified emission reductions.

    Option 2: Agreement not to specify the enhancement of enabling environments as a commitment or obligation of Parties.

47. Financing for adaptation to be provided in the form of multilateral and/or bilateral financing, including via:

    47.1 A balanced allocation between adaptation and mitigation, or a 50:50 balance between the support provided for adaptation and mitigation, or at least 50 per cent of support to be provided for adaptation activities;

    47.2 The use of levies for adaptation funding from any market-based mechanisms;

    47.3 Financial risk management instruments;

    47.4 The Adaptation Fund, the LDCF and the SCCF, and including through support to enable the mobilization of private-sector financial flows for adaptation investments, with the GCF providing assurance of support for countries' adaptation efforts;

    47.5 ***Option 1***: Diverse sources, including private sources, engaged in the provision of financing for adaptation, with public finance to constitute the key instrument in increasing support for adaptation:

        a. Identification of sources and prioritization of public funding, as well as increase of private sector financial contributions for adaptation;

        b. Encourage the International Civil Aviation Organization and the International Maritime Organization to develop a levy scheme to provide financial support for the Adaptation Fund.

        Option 2: Public sources primarily, with supplementary funding to be drawn from private / alternative sources.

48. Support / New and additional finance, independent of adaptation budgets, to be provided for the financing and operationalization of the Warsaw International Mechanism.

49. Support provided to developing country Parties for technology development and transfer and support provided to the Technology Mechanism to ensure the effective implementation of technology to be channelled primarily through the GCF / the operating entities of the Financial Mechanism, taking into account the roles of the public and private sectors in mobilizing finance for technology / primarily from public sources, with supplementary funding to be drawn from private sources.

50. Funding for capacity-building as well as measures to develop, adopt and implement policies, strategies, regulations and/or action plans on climate change education, training, public awareness, public participation and public access to information in developing country Parties:

    50.1 To be provided by developed country Parties and other Parties and organizations in a position to do so, in an adequate and predictable manner;

50.2 To be primarily channelled through the Financial Mechanism, taking into account the potential role of the private sector in supporting capacity-building and the need for enhanced coordination among donors and institutions.

51. Funding for REDD-plus to be adequate, predictable and sustainable, with financing continuing to be provided, including via Annex II Parties and Parties in a position to do so, private and non-market-based sources and results-based finance.

52. Parties in a position to do so / Annex II Parties and other Parties in a position to do so to provide Parties in need of assistance / developing country Parties with financial and technical and capacity-building support in order for them to efficiently and effectively fulfil the reporting requirements of this agreement.

Sources of finance

53. Financial resources to be mobilized and provided from:

Option 1: Primarily public sources, with supplementary funding to be drawn from private / alternative sources:

a. Stressing that public sources are the main source of finance, the scale of resources needed and the type of investments required, governments to work more closely together with the private sector;

b. Developed country Parties shall incentivize the private sector to provide funding to developing countries;

c. Different sources to be considered on the basis of clear criteria in order to avoid incidence on developing countries, and the sustainability, predictability and additionally of sources to be clarified.

Option 2: A wide variety of sources, including public, private and alternative sources, recognizing the need for a diversity of sources and instruments to suit recipients' changing economic circumstances / with different types of financing for different activities and public sources for specific areas, given the limited potential for private investment, in particular in the most vulnerable countries and LDCs.

53.1 With regard to private and alternative finance:

a. All Parties to commit to cooperate in leveraging private finance and/or to mobilize / utilize public funds and means to facilitate and encourage private investment consistent with their capabilities, recognizing that private-sector financing is complementary to, but not a substitute for, public-sector financing where public finance is needed:

- A mechanism to attract the private sector to invest in projects, with clear definitions, respective roles and guidance on the mechanism, to achieve a useful balance of public and private sources, ensuring reasonable returns and full transparency;
- Efforts undertaken by export credit agencies to help investors manage risk;
- A clear signal to the private sector at all levels for it to contribute to the mobilization of climate finance and to reorient financial flows and trigger the required investments and involvement, including of local private sectors;
- Public-sector finance to catalyse and avoid crowding out private-sector investments, ensuring that private-sector investment is not displaced, with the efficient use of public resources and effective public policies to be the key focus of post-2020 cooperative efforts among middle- and higher-income countries;
- Need for strong public–private partnerships, which should be subsidized and incentivized;
- Be strategic and in line with national priorities and laws and be profitable for the private sector;
- Enhanced enabling environments for private-sector investment in adaptation;
- The governing body shall develop modalities for leveraging and freeing up private finance to support the implementation of this agreement.

b. A tax on oil exports from developing to developed countries to be established;

c. An international renewable energy and energy efficiency bond facility to be established;

d. The phasing down of high-carbon investments and fossil fuel subsidies.

Structural suggestions on section G

Include paragraphs 48 to 51 as part of a decision.

Include paragraphs 35.1 and 35.2 as part of a decision.

Proposals to move provisions on MRV of support to the finance section.

H. Technology development and transfer

General

54. ***Option 1***: All Parties to strengthen cooperative action to promote and enhance technology development and transfer, including through the Technology Mechanism / institutional arrangements for technology established under the Convention and through the Financial Mechanism, in order to support the implementation of mitigation and adaptation commitments under this agreement;

Option 2: Parties, consistent with the principles and provisions of the Convention, including Article 4, paragraphs 1, 3 and 5, / in accordance with their common but differentiated responsibilities, to strengthen cooperative action to promote and enhance technology development and transfer and better facilitate the implementation of the Convention, including through the Technology Mechanism / institutional arrangements for technology established under the Convention and through the Financial Mechanism / by enhancing the provision of support by developed country Parties, in order to support the implementation of mitigation and adaptation commitments under this agreement;

Option 3: Parties, consistent with the principles and provisions of the Convention, including Article 4, paragraph 5, reflecting the evolving economic realities, to strengthen cooperative action to promote and enhance technology development and transfer, including through the Technology Mechanism / institutional arrangements for technology established under the Convention and through the Financial Mechanism.

55. *Placeholder*: Global goal on enhanced action on technology development and transfer.

Commitments

56. ***Option 1***: Commitments in relation to technology development and transfer to include the following:

56.1 Developed country Parties to undertake steps to address barriers to accessing technology and to establish and strengthen their necessary policy frameworks to facilitate the removal of barriers and enable and accelerate technology development and transfer to developing country Parties; and to leverage enhanced support from the private sector for technology development and transfer to developing country Parties; and to provide financial, human resources, institutional and technical support for technology development and transfer to developing country Parties;

56.2 Developing country Parties, with the support of developed country Parties, to undertake steps to address barriers to accessing technology and to establish and strengthen their national structures, policy frameworks, institutions and capacity, in order to enable and accelerate the endogenous capacity for the absorption, development and transfer of technologies in developing countries / endogenous technology development and transfer, attract investments and enhance country ownership and innovation;

56.3 All Parties, in accordance with the principles of and obligations under the Convention, to establish means to facilitate access to and the deployment of technology, while promoting and rewarding innovation in adaptation and mitigation technologies / environmentally sound technologies:

Option (a):

a. In accordance with Article 4 of Convention, developed country Parties to provide financial resources to address barriers caused by intellectual property rights (IPRs) and facilitate access to and the deployment of technology, including inter alia, by utilizing the Financial Mechanism and/or the establishment of a funding window under the GCF / the operating entities of the Financial Mechanism;

b. An international mechanism on IPRs to be established to facilitate access to and the deployment of technology to developing country Parties;

c. Other arrangements to be established to address IPRs, such as collaborative research and development, shareware, commitments related to humanitarian or preferential licensing, fully paid-up or joint licensing schemes, preferential rates and patent pools.

Option (b): Parties recognize that IPRs create an enabling environment for the promotion of technology innovation in environmentally sound technologies;

Option (c): IPRs are not to be addressed in this agreement.

56.4 Developing country Parties, with the support of developed country Parties, to conduct an assessment of their technology needs, on the basis of national circumstances and priorities, with a view to ensuring nationally

determined and environmentally, economically and socially sound resulting project proposals and to effectively implementing the outcomes of such an assessment supported by developed country Parties, in order to support the implementation of this agreement:

- Parties to strengthen the process of technology needs assessment (TNAs) and enhance the implementation of the outcomes of the TNA process.
- Align TNAs more closely with bankable finance projects / Improve TNAs to result in implementable projects.
- TNAs could be linked to other processes under the Convention, such as NAMAs and NAPs. TNA process should be elaborated to address developments arising from the operationalization of this agreement.

56.5 All Parties, enabled by Annex II Parties / led by developed country Parties, to accelerate global collaboration on the research, development and demonstration of technologies:

a. Support, including financial and intellectual support, to accelerate the research, development and demonstration of technologies, including endogenous technologies, to be provided by developed country Parties to developing country Parties.

b. Modalities for a global collaborative programme on the research, development and demonstration of technologies to be established, attracting and integrating relevant stakeholders.

Option 2: No commitments on technology in the agreement.

Institutional arrangements

57. Institutional arrangements for technology development and transfer under the Convention shall support Parties in implementing their commitments / contributions under this agreement:

57.1 Anchoring:

Option 1: The Technology Mechanism established under the Convention, including the TEC and the Climate Technology Centre and Network (CTCN), shall serve this agreement by facilitating enhanced action on technology development and transfer in order to achieve the objectives of this agreement;

Option 2: The institutional arrangements for technology established under the Convention shall serve this agreement by facilitating enhanced action on technology development and transfer in order to achieve the objectives of this agreement.

57.2 Guidance to and strengthening of the Technology Mechanism / institutional arrangements:

The governing body may provide further guidance to and/or strengthen the Technology Mechanism / institutional arrangements for technology established under the Convention serving this agreement, and the guidance provided by the governing body shall not conflict with the guidance provided by the COP.

Option 1: Specific provisions on strengthening:

a. The TEC and the CTCN / Technology Mechanism of the Convention shall support the operationalization and delivery of the commitments related to technology development and transfer in this agreement, under the Convention:

- Include provisions on accounting.
- Take into account the specific needs of developing countries and countries with special circumstances of Africa, LDCs and SIDS.

b. The Technology Mechanism shall enhance cooperation and synergy with other institutional arrangements under and outside the Convention and stakeholders, as well as the coherence and effectiveness of technology action and initiatives under the Convention:

- Establish linkages between the Technology Mechanism, the Financial Mechanism and capacity-building institutions.
- The Poznan strategic programme on technology transfer to be linked to and/or guided by the Technology Mechanism.
- Provisions or measures related to other technology initiatives or regional centres.
- Enhance the role of the private sector to support the implementation of the Technology Mechanism.
- Facilitate the role of public research and development, incentives for commercial research and development, the development of technologies and the reaching of economies of scale.

c. The governing body shall conduct a periodic assessment of the effectiveness and adequacy of the Technology Mechanism / institutional arrangements for technology development and transfer.

Option 2: No specific provisions on guidance to and/or strengthening of the Technology Mechanism in the agreement.

Structural suggestions on section H

Include paragraph 57.2 (option 1) in a decision

I. Capacity-building

General

Option 1:

58. The objective of capacity-building should be to enable developing country Parties / all Parties to identify, design and implement adaptation and mitigation actions and to enable domestic development and absorption of technologies / to enhance the capacities of national governments to be able to absorb technology and finance for the implementation of the Convention.

59. Capacity-building to be guided by the following:

a. The framework for capacity-building in developing countries established under decision 2/CP.7;

b. A formal, structured, clear, predictable, effective, coordinated, demand-driven / country-driven, sustainable and long-term and gender-responsive way;

c. Clear and predictable targets and outcomes;

d. Responding to national needs and fostering country ownership:

- Building on existing provisions and lessons learned on capacity-building under the Convention;
- Using the INDC preparation and measurement, reporting and verification (MRV) processes;
- Supporting preparatory and readiness programmes, including on climate finance;
- Until developing country Parties have acquired the capacity to fully implement climate change actions under the Convention / Developing countries will enhance their climate change actions according to the means of implementation provided by Annex I and Annex II Parties under the Convention.

e. Responding to needs at the national, subnational and local levels:

Option (a): Taking into account the potential role of the private sector in supporting capacity-building and the need for enhanced coordination among donors and institutions;

Option (b): Public sector bears the main responsibility, and private funding should only be complementary;

Option (c): No provision necessary.

f. Ensuring that capacity-building is effective, demand-driven / country-driven and sustainable over the long term.

60. Capacity-building to be enhanced through:

a. The development of climate policies;

b. The mobilization of private sector capital and public engagement;

c. The promotion of public awareness and education;

d. The strengthening of domestic institutions and the creation of enabling environments;

e. Integrating capacity-building activities into mitigation and adaptation programmes / into all other elements.

Option 2: No general provisions on capacity-building.

Commitments

61. ***Option 1***: The developed / Annex I Parties and other Parties in a position to do so should cooperate to enhance the capacity of developing countries to support the implementation of their contributions under the agreement based on the principles and provisions of the Convention and other Parties in a position to do so to cooperate to enhance the capacity of developing country Parties in all areas of climate change action, to support the implementation of their commitments / contributions under this agreement and to foster South–South and triangular cooperation schemes;

Option 2: No commitments on capacity-building in the agreement.

Institutional arrangements

62. The institutional arrangements established under the Convention shall enhance and intensify their work on capacity-building:

62.1 The Durban Forum on capacity-building established by decision 2/CP.17 / the institutional arrangements on capacity-building established under the Convention shall serve this agreement by:

a. Enhancing the monitoring and review of the effectiveness of capacity-building;

b. Identifying and addressing capacity gaps in developing countries;

c. Enhancing the coordination between institutions established under the Convention and this agreement as it relates to their work and mandates on capacity-building:

- The governing body may provide further guidance to the Durban Forum and assign specific functions, as appropriate.
- The governing body shall periodically review the commitments of developed country Parties to provide capacity-building support to developing country Parties and take appropriate action, which may include the adjustment of such commitments in accordance with the identified national needs and priorities of the developing country Parties.
- The governing body shall regularly review the outcomes of the Durban Forum and take appropriate action

63. ***Option 1***: An international capacity-building mechanism is hereby established:

63.1 The purpose of the international capacity-building mechanism under this agreement, funded through the Financial Mechanism of the Convention and linked to technology- and adaptation-related institutions established under the Convention, shall be to enhance the capacity of developing country Parties to plan and implement mitigation and adaptation actions, including human skills development for the strengthening of domestic institutions, technology innovation and the development of endogenous technologies, and to make a structured assessment of the capacity needs of developing countries and match them with support.

63.2 The international capacity-building mechanism shall comprise:

a. A capacity-building committee with the following functions:

- MRV of support received for capacity-building against needs identified by developing country Parties;
- Facilitation of the effective implementation of capacity-building interventions at the national and regional levels;
- Provision of normative guidance on capacity-building related issues concerning this agreement to inform other institutions and mechanisms established under the Convention serving this agreement;
- Promotion of coherence between relevant institutions and mechanisms established under the Convention and this agreement.

b. An evaluation mechanism with the function:

- To assess the effectiveness of the delivery of capacity-building.

c. Regional capacity-building centres:

- To facilitate building capacity at the national and regional levels.

d. An institute for capacity-building to operate as a consortium of tertiary institutions in all major regions of the world:

- To build capacity in developing countries as a means of strengthening the ability and effectiveness of mitigation and adaptation actions.

63.3 The governing body shall adopt modalities and procedures for the operation of the international capacity-building mechanism. The international capacity-building mechanism should become operational as soon as possible after 2015 to prepare all countries for the implementation of this agreement by 2020.

Option 2: No provisions on the establishment of new institutions;

Option 3: Strengthening and improving existing institutions;

Option 4: Enhance the role of the private sector in the delivery of capacity-building.

Structural suggestions on section I:

Include references to capacity-building in all other sections

Include preambular recital on capacity-building and details in decisions

Include paragraph 62 in a decision

J. Transparency of action and support

General

64. ***Option 1***: A transparency framework, applicable to all Parties and differentiated between developed and developing countries, under the Convention and in accordance with previous decisions of the COP, shall promote transparency of action and support by providing information on the implementation of each Party's commitments / contributions in an efficient and flexible manner, in order to:

a. Enhance clarity, comparability between developed countries, accountability and mutual trust and to promote ambition / progressive enhancement;

b. Facilitate the tracking of progress in the implementation of commitments / contributions;

c. Ensure that commitments / actions and provision of support by Annex II Parties are implemented and complied with and verified through a robust verification system, and facilitate the comparison of MRV of all types of support received with the needs expressed and identified by developing country Parties;

d. Facilitate / Ensure the use of mitigation outcomes resulting from international / national market-based mechanisms in the accounting of each Party's commitments / contributions;

e. Avoid double counting;

f. Ensure the environmental integrity of this agreement.

Option 2: A single / common transparency framework, applicable to all Parties, shall promote transparency of action and support by providing information on the implementation of each Party's commitments / contributions in an efficient and flexible manner, in order to:

a. Enhance clarity, comparability, accountability and mutual trust, and promote ambition;

b. Facilitate the tracking of progress in the implementation of commitments / contributions;

c. Promote the implementation of action and support, and ensure that efforts are verified through a robust verification system;

d. Facilitate the use of mitigation outcomes resulting from international market-based mechanisms in the accounting of each Party's commitments / contributions;

e. Avoid double counting;

f. Ensure the environmental integrity of this agreement;

g. Provide the necessary flexibility to Parties through the use of tiers or 'opt-out' provisions.

Option 3: All Parties shall promote transparency of action and support by providing information on the implementation of each Parties' commitments under the Convention, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, in order to:

a. Ensure the comparability and accountability of the quantified economy-wide emission reduction targets of developed country Parties in a measurable, reportable and verifiable manner;

b. Ensure that developing country Parties' support-related commitments are implemented, compiled with and verified through a robust accounting, reporting and verification system;

c. Facilitate the clarity of progress made by developing country Parties on their implementation of actions for addressing climate change and on the support received from developed country Parties.

65. ***Option 1***: The transparency framework shall encompass MRV of emissions and removals and the accounting of commitments / contributions, including those related to support, and shall be based on agreed rules / be based on existing MRV arrangements under the Convention and / be guided by:

Option (a):

a. Article 12 of the Convention;

b. Taking into account the differing national circumstances / common but differentiated responsibilities / the unique circumstances / and respective capabilities of Parties;

c. Accommodating different contributions and countries' differing capacities; and/or providing for differentiation in reporting and the common international review of reports;

d. Avoiding imposing onerous burdens on poor and vulnerable countries or developing countries and, in particular, the LDCs and SIDS, with respect to support received for adaptation, capacity-building and access to and adoption of appropriate technologies;

e. Recognizing that the transparency framework will evolve, building on existing decisions / experience with existing MRV arrangements;

f. Tracking post-2020 commitments;

g. Ensuring transparency, accuracy, completeness, comparability and consistency;

h. Maintaining or improving levels of transparency over time;

i. Building countries' capacities over time and institutionalizing reporting capacity.

Option (b):

a. The principles and provisions of the Convention;

b. Taking into account Parties' common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances;

c. Consistent with the level of support provided for developing countries;

d. Recognizing that the transparency framework will evolve, building on existing decisions.

Option 2: The transparency framework shall encompass reporting through biennial communications, a technical expert review of the submitted biennial communications and a facilitative examination of the implementation of efforts, and shall be based on agreed rules.

66. The transparency framework shall be:

Option 1: Built on the existing MRV arrangements under the Convention:

a. Developed country Parties / Developed country Parties and other Parties undertaking quantified emission reduction commitments should report information related to their actions and provision of support to developing countries in accordance with the provisions of the Convention and relevant decisions of the COP in their national communications, biennial reports and annual inventory reports. All of that information will be subject to the international assessment and review (IAR) and international expert team review), as well as to a compliance assessment for Annex I Parties that are also Parties to the Kyoto Protocol;

b. Developing country Parties / Parties not undertaking quantified emission reduction commitments / Developing country Parties, consistent with their obligations under the Convention, their capabilities and the level of support received from developed country Parties, should report information on their actions and support received in accordance with the relevant decisions of the COP in their national communications and biennial update reports (BURs), and the BURs will be subject to international consultation and analysis (ICA).

Option 2: A common framework with common MRV provisions applicable to all Parties, built on the existing MRV system that is fit for purpose and offers appropriate flexibility / offers flexibility for developing country Parties in terms of the level and depth of the application of the common MRV provisions in relation to:

a. The frequency of reporting;

b. The broad categories of information to be reported, namely:

- National inventories of emissions and removals;
- Progress made towards the achievement of mitigation commitments / contributions;
- Monitoring and evaluation of adaptation;
- Tracking the delivery of, and the outcomes achieved through, support.

c. The consideration of reporting:

- Expert review;
- A facilitative, multilateral process.

Option 3: A single system with common MRV provisions applicable to all Parties from 2020;

Option 4: Based on Articles 10, paragraph 2(a) and (b), and 12, paragraphs 1–3, of the Convention:

a. Enhanced procedures for comparability for Annex I Parties:

- More frequent reporting, standardized format, common accounting framework with common base year and expressed in terms of CO_2 eq, projections of emission trajectories / pathways.

b. Current procedures set up under decisions 1/CP.16 and 2/CP.17 for non-Annex I Parties.

Option 5: All Parties shall, on the basis of self-differentiation and national capacity, report information through existing institutions, with no backsliding, and follow the procedural guidelines and provisions provided in the following review methods based on the following tiers:

a. Monitoring, review and verification under the Convention;

b. Monitoring, review and verification under the Cancun Agreements;

c. Monitoring, review and verification under the Kyoto Protocol.

Commitments

67. ***Option 1***: Each Party to provide, through their biennial communications, verifiable, transparent, consistent and complete, accurate and comparable information, in accordance with previous decisions of the COP, on the implementation of its commitments / contributions / actions, including in relation to mitigation, adaptation, finance, technology development and transfer and capacity-building;

Option 2: All Parties commit to participating in an agreed, unified transparency system and to continuously improve transparency.

Option 3: Each developed country Party shall provide information on: its quantified economy-wide emission reduction target, its policies and actions for implementing that target, adaptation actions, research, development and demonstration actions related to climate-friendly technologies and capacity-building actions, as well as other relevant information, in order to ensure the provision of consistent, transparent, comparable, accurate and complete information by developed country Parties.

68. All Parties / Annex II Parties / Parties in accordance with their common but differentiated responsibilities, to ensure transparency of support:

a. MRV of support provided to be enhanced on the basis of national communications, biennial reports, IAR and Kyoto Protocol rules using common but differentiated templates and drawing on the work of the SBSTA on methodologies for the reporting of financial information by Annex I Parties;

b. Developing countries to provide information on support received and its use, recognizing the special circumstances of countries, ensuring that no additional reporting burdens are imposed on developing countries;

c. Annex II Parties and Parties in a position to do so to provide biennial reports on adaptation support, indicating the level of support that they are providing to developing country Parties, in particular the LDCs, SIDS and countries in Africa, to inform a regular review by the governing body in line with science;

d. International financial institutions are invited to provide information on how their development assistance finance incorporates 'climate proofing' measures in all forms of support;

e. Each Party to provide information on support provided and received, in line with its national circumstances.

Rules and modalities

69. ***Option 1***: The governing body shall elaborate the rules related to transparency of action and support, including MRV, as well as related to accounting, in particular rules on the use of market mechanisms and to the land sector in relation to mitigation commitments / contributions, which:

a. After gathering experience with the agreed transparency system and assessing whether improvement is needed, adjust / enhance / ensure the development of the existing MRV arrangements and accounting rules, building on the experience of existing MRV arrangements, to fit the objectives and purposes of the agreement;

b. Ensure harmonization and coordination of existing data systems as well as methodological consistency and commonality in defining and tracking the commitments / contributions;

c. ***Option (a)***: Apply IPCC greenhouse gas inventory guidelines and common metrics agreed under the Convention;

Option (b): Use common metrics and methodologies adopted by the IPCC and agreed by the COP for the estimation of GHG emissions and removals;

d. Recognize the importance of greenhouse gas emissions by sources and removals by sinks resulting from land-use change and forestry activities for understanding mitigation contributions and progress in achieving targets, commitments and implementing actions;

e. ***Option (a)***: Recognize the use of market mechanisms in relation to mitigation commitments / contributions;

Option (b): Recognize the use of the mechanisms defined in Articles 6 and 12 of the Kyoto Protocol and mechanisms defined in the Convention in relation to mitigation commitments.

Recognize the use of market activities in relation to mitigation commitments if they meet standards, to be defined, that deliver real, permanent, additional and verified mitigation outcomes, avoid double accounting of effort, achieve a net decrease and/or avoidance of greenhouse gas emissions and are in conformity with these standards;

f. Recognize the importance of accounting of support for adaptation and means of implementation;

g. Use comparable accounting mechanisms for support based on common templates / methodologies and common methodology for MRV for developed countries / Annex II Parties;

h. Place greater emphasis on effectiveness of support and include better provisions for reporting on the use of international support and results achieved with support;

i. With respect to the provision and receipt of finance:

- Include / enhance information, consistent with previous decisions of the COP, on support provided and received, including on: delivery, use and impact, sources, scale, channels, instruments, and on South–South cooperation.
- Provide transparency on the levels of financing, what financing is used for, which countries are benefiting, and whether funds are new and additional and outcomes achieved through:
  - *Option 1*: Accounting rules for mitigation and adaptation actions and for financial support, as well as public and private resources invested;
  - *Option 2*: Accounting rules for Annex II Parties with regard to support.
- Be enhanced based on annual reporting on delivery of climate finance by developed country Parties;
- Address the need for a common agreed definition of climate finance and inconsistencies on climate finance data:
  - Providing clarity on what type is most appropriate for what action;
  - Building on the work done by the Organisation for Economic Co-operation and Development Research Collaborative and the SCF on methods for measuring and tracking private climate finance / Building on the work of the SBSTA;
  - As outlined in the MRV proposal from Ecuador [4]

j. With respect to the monitoring and reporting of support from developed country Parties / Annex II Parties to developing country Parties on enhanced action on technology development and transfer:

- Overseen by the TEC / Facilitated by the TEC / Technology Mechanism;
- Develop common format and methodologies for technology support reporting.

k. With respect to the effectiveness of capacity-building support:

- Based on the impact and knowledge created in developing country Parties against performance indicators at the national level and/or by a committee on capacity-building;
- Be conducted against needs identified by developing country Parties;
- Include an assessment of the effectiveness of capacity-building activities based on performance indicators at the international level;
- Supported by the Durban Forum on capacity-building and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.

Option 2: The governing body shall elaborate the rules related to transparency of action and support, including MRV as well as accounting, which:

a. Develop methodologies on the accounting of support on finance, technology development and transfer and capacity-building provided by developed country Parties to developing country Parties, including common metrics on the climate finance and quantifiable progress indicators on technology transfer and capacity-building support provided by developed countries;

[4] FCCC/AWGLCA/2012/CRP.1.

b. Revise and improve the common reporting format on financial support available and provided by developed countries to developing countries;

c. Develop a common reporting format on the support for technology development and transfer and capacity-building provided by developed country Parties to developing country Parties;

d. Revise the modalities and procedures of IAR in order to strengthen the review on the progress of provision of financial, technological and capacity-building support by developed country Parties to developing country Parties;

e. Establish a long-term finance channel under the GCF or the Global Environment Facility to build MRV capacity of developing countries on a continuous basis.

Option 3: The governing body shall elaborate the guidelines related to transparency of action and support, by:

a. Tailoring the post-2020 transparency arrangements to promote its objective;

b. Developing guidelines for biennial communications regarding:

c. National circumstances:

- The national inventory report of emissions and removals;
- A description of nationally determined contribution;
- Progress in achievement of the NDC, including mitigation actions and their effects, estimates of emissions from the land sector, and the use of units from international market-based mechanisms;
- Projections;
- Provision of support, including on the provision of finance, technology transfer and capacity-building;
- Progress in assessing climate risks and vulnerabilities, and in enhancing adaptation action, including through national adaptation planning processes.

d. Using common reporting templates wherever applicable and beneficial for enhancing transparency;

e. Elaborating on the following:

- Parties to include all major emission sources and sinks, pools and gases in their contribution;
- For major sources and sinks, pools and gases that are not included, Parties to include an explanation for their exclusion, and to strive to include these over time;
- Parties to use the most relevant IPCC guidance and guidelines, as determined by the COP;
- Parties not to change their accounting approach or methodologies or baseline during the time frame, except in the case of technical corrections;
- Parties to have projected baselines transparently assessed;
- Parties that use market-based approaches to meet standards that deliver real, additional, verifiable and permanent emission reductions, avoid double counting of effort and result in a net mitigation benefit.

f. Recognizing the importance of greenhouse gas emissions by sources and removals by sinks resulting from land-use change and forestry activities;

g. Developing guidelines to assist Parties in assessing national climate change impacts, vulnerability and adaptation options;

h. Developing guidelines for the technical expert review of Parties' biennial communications;

i. Developing guidelines for a facilitative examination of Parties' progress towards their nationally determined contributions;

j. With respect to the provision and receipt of support and international cooperation, develop guidelines that:

- Elicit information on support provided and received, including on: delivery, use and impact, sources, scale, channels, and instruments;
- Provide transparency on the levels of financing, what financing is used for, which countries are benefiting, and whether funds are new and additional;
- Place greater emphasis on effectiveness of support and reporting on the use of international support and results achieved with support;
- Recognize that a variety of types may be appropriate;
- Consider the ongoing work under the SCF and the work of relevant bodies outside the Convention.

Structural suggestions on section J

Transparency of support to be addressed in the context of support, transparency of mitigation in the context of mitigation

Divide into three sub-sections: (1) commitment to participate in a single transparency system, (2) the mechanics, or component parts, of the system, and (3) the guiding principles for the system

Restructure paragraphs 67 and 68 into three sub-sections: transparency of actions by developed country Parties, transparency of actions by developing country Parties, and transparency of support by developed country Parties

Move the paragraphs on accounting to the mitigation section

Merge this section with section K below

Move paragraph 69 (d) and (e) (option 1) to the mitigation section and retain (a) and (c) in transparency section

Include content of paragraph 69 k (of option 1) in a decision

Restructure paragraph 69 into separate paragraphs on transparency of mitigation and transparency of support

K. *Time frames and process related to commitments / contributions / Other matters related to implementation and ambition*

Commitments / contributions / actions / scope of implementation and ambition

70. The starting date for the implementation of this agreement to be 1 January 2020 / 31 December 2020 / 1 January 2021; and the end date of this agreement to be 2030 / 2040 / 2050 / 2100 / durable forever.

71. Pursuant to Article 2 of the Convention, Parties to periodically communicate or update their proposed commitments / contributions:

Option 1: Every five years for all Parties;

Option 2: Commitments shall be inscribed every five years, beginning in 2015. All Parties shall communicate proposed commitments in the 12 to 18 months prior to their inscription. The commitments will cover a five-year period, ending 10 years after the inscription year. Parties may also propose an indicative commitment covering a further five–year period, which can be confirmed or enhanced five years later, when formally inscribed (2020);

Option 3: Every five years, indicating the commitment / contribution / action for the subsequent five-year period as well as an indicative commitment / contribution / action for the following five-year period;

Option 4: Every five years for developed country Parties only;

Option 5: Every five years for developed country Parties and every 10 years for developing country Parties;

Option 6: Every five years for the upcoming period and an indication for the following period only for mitigation; annual or biennial time frame for means of implementation in line with national budgets; different time frame for adaptation;

Option 7: By 2030 / 2025 for all Parties;

Option 8: By 2025 and/or 2030 for all developed country Parties only, and with the diversity of end dates for developing country Parties;

Option 9: Every 10 / x years, with a midterm review;

Option 10: For a period to be determined by the governing body.

72. Parties to communicate their proposed commitments / contributions / actions at least 12 months prior to their formalization / finalization, but not earlier than 18 months prior to that.

73. ***Option 1***: The scope of the commitments / contributions / actions will:

Option (a): Be nationally determined;

Option (b): Be defined by the provisions of this agreement;

Option (c): Include mitigation, adaptation, finance, technology and capacity-building, and transparency of action and support;

Option (d): Include mitigation, recognizing that commitments on adaptation, finance, technology and capacity-building, and transparency of action and support are subject to separate provisions of this agreement;

Option (e): Include mitigation only.

Option 2: Implementation and ambition are related to:

a. Mitigation, adaptation, finance, technology and capacity-building;

b. For developed country Parties: mitigation and finance, technology and capacity-building support to developing country Parties for their mitigation and adaptation actions;

c. For developing country Parties: mitigation and/or adaptation.

74. When communicating their contributions, Parties to provide up-front information, along with their proposed commitments / contributions / actions that:

Option 1: Facilitates the clarity, transparency and understanding of those commitments / contributions / actions, on the basis of the relevant arrangements for reporting information resulting from the Bali Action Plan (as detailed in decision x/CP.x);

Option 2: Facilitates the clarity, transparency and understanding of those commitments / contributions / actions (as detailed in decision x/CP.x).

75. Upon communication, commitments / contributions / actions to be made publicly available by the secretariat.

Ex ante consideration / Further facilitation of transparency and clarity / Consultative process period

76. ***Option 1***: No ex ante consideration process / no arrangements for further facilitating transparency and clarity;

Option 2: After their communication, commitments / contributions / actions will be subject to an ex ante consideration process / further facilitation of transparency and clarity / a consultative period/process in order to:

Option (a):

a. Facilitate understanding of the level of ambition and fairness / level of ambition of the commitments / contributions and the long-term temperature goal in the context of a Party's long-term low-emission development pathway;

b. Assess the adequacy and fairness of the aggregated contributions / the adequacy of the aggregated contributions / the aggregated contributions compared with science, as part of the principle-based reference framework;

c. Assess the extent and availability of support from Annex II Parties to non-Annex I Parties, and, in that context, the potential additional ambition of non-Annex I Parties;

d. Assist countries that have not communicated their commitments / contributions;

e. Facilitate understanding of the comparability of effort of the commitments / contributions / actions; and of the global aggregate commitment;

f. Address / understand / determine / discuss deficits in the light of the ambition required / facilitate the analysis of national mitigation potential and address deficits in the light of the ambition required.

Option (b):

a. Enhance the clarity, transparency and understanding of the aggregate effect of the communicated intended nationally determined contributions;

b. Facilitate the efforts by Parties that have not communicated their intended nationally determined contributions up to that point.

Option (c):

a. Facilitate the clarity of the comparability of the commitments of by developed country Parties, in accordance with their historical responsibilities, requirements of science and leadership in addressing climate change and the requirements of science;

b. Facilitate understanding of the diversity, barriers and needs of the enhanced actions undertaken by developing country Parties, bearing in mind their first and overriding priority of economic and social development and poverty eradication.

76.1 Parties' commitments / contributions / actions to be considered based on:

Option (a): A consultative process to ensure clarity, transparency and understanding of the commitments / contributions;

Option (b): A principle-based reference framework to be established to ensure clarity, transparency and understanding of the commitments / contributions / actions;

Option (c): Existing arrangements and processes under the Convention.

76.2 The ex ante consideration process / further facilitation of transparency and clarity / consultative period/process is to:

Option (a):

a. Be science-based and informed by the assessments of the IPCC, moving to assessment reports every five years (e.g. 2019, 2024, 2029);

b. Be inclusive, consultative, facilitative, supportive, non-prescriptive, non-intrusive, and non-punitive.

Option (b)

a. Be science-based and informed by the assessments of the IPCC, moving to assessment reports every five years (e.g. 2019, 2024, 2029);

b. Be inclusive, consultative, facilitative, supportive, non-prescriptive, non-intrusive, and non-punitive;

c. Be conducted in accordance with Article 4, paragraph 2(d), of the Convention;

d. Reflecting the differences in Annex A and Annex B;

e. Be based on the existing experience from the clarification of the commitments of developed country Parties and the understanding of the NAMAs of developing country Parties.

76.3 The ex ante consideration process / further facilitation of transparency and clarity / consultative period/process to take place:

Option (a): In the year in which the commitments / contributions / actions are communicated;

Option (b): In the year after the commitments / contributions / actions have been communicated;

Option (c): In the year prior to the inscription of the contribution in the agreement for mitigation and means of implementation / in the 12 months prior to the session at which the commitment would be inscribed;

Option (d): Each Party to go through a consultative period for four to six months after the submission of its intended nationally determined contribution.

76.4 On the basis of the ex ante consideration process / further facilitation of transparency and clarity / consultative period/process:

Option (a): Each Party to consider the recommendations resulting from the process;

Option (b): Each Party to revise its commitment / contribution on a voluntary basis;

Option (c): Each Party to adjust / revise on a voluntary basis its commitment / contribution upwards, through an adjustment procedure in accordance with decisions of the governing body;

Option (d): Parties will undertake top-down adjustments based on a global carbon budget.

76.5 The governing body shall develop and adopt modalities and procedures for the ex ante consideration process / further facilitation of transparency and clarity / consultative period/process by its [X] session:

a. A web platform where Parties and other actors are able to pose questions and Parties are encouraged to answer the questions that they receive;

b. Consultations among Parties, including through workshops and round tables;

c. A joint Subsidiary Body for Implementation (SBI) / SBSTA programme to prepare recommendations for the COP;

d. A technical body / panel / task force to be established that undertakes analytical work, examines the adequacy and fairness of commitments / contributions and prepares recommendations; and/or on mitigation and means of implementation;

e. Inputs to the process, including modalities for the analysis, synthesis and/or compilation of the commitments / contributions.

76.6 The governing body shall review, on a periodic basis, the modalities and procedures, with a view to ensuring adaptability, efficiency and effectiveness, taking into account the different characteristics of mitigation and means of implementation and the need to address them in a distinct manner over time.

Formalization / finalization / reflection of enhanced action

77. The commitments / contributions / actions communicated by Parties to be:

Option 1: Inscribed in a single annex to this agreement;

Option 2: Inscribed in annexes to this agreement;

Option (a): Annex A for quantified emission reduction commitments (QERCs) and Annex B for emission limitation commitments and strategies;

Option (b): Annex A: a table of heading numbers of quantified emission reduction commitments of developed country Parties; and Annex B: a compilation of communications of enhanced mitigation actions by developing country Parties.

Option 3: Inscribed in attachments to this agreement:

- Attachment A for developed country Parties' emission reduction commitments;
- Attachment B for developed country Parties' finance, technology and capacity-building commitments;
- Attachment C for developing country Parties' enhanced actions.

Option 4: Adopted by a decision of the governing body;

Option 5: Contained in national schedules, to be communicated to the secretariat. The secretariat shall make all national schedules publicly available;

Option 6: Inscribed in a country contribution document, with a provision in the agreement creating an obligation for each Party to communicate and implement their contribution;

Option 7: Recorded in an online registry of national mitigation targets, which is to form an integral part of this agreement.

78. Parties may, at any time, make upward adjustments to their commitments / contributions / actions by means of a simplified procedure:

Option 1: By way of communication to the secretariat or the depositary;

Option 2: By way of an amendment to the respective annex and in the context of the procedures referred to in section M below;

Option 3: The governing body shall adopt modalities of the simplified procedure / Any modalities to be adopted by the governing body.

79. ***Option 1***: A Party to be allowed to exceptionally adjust its commitment / contribution, subject to certain conditions, including: if subsequent rules differ substantially from the Party's assumptions, or force majeure, provided that there is no backsliding;

Option 2: A developing country Party may adjust its contribution when severely affected by an extreme natural event;

Option 3: No other adjustments allowed.

Strategic review of implementation / Aggregate ambition assessment / Enhanced ambition mechanism

80. The governing body shall regularly conduct a strategic review of implementation / aggregate ambition assessment.

81. The purpose of the review / assessment /mechanism is to:

Option 1: Review the effect / ambition and the implementation of the individual commitments / contributions / actions of Parties as well as the aggregate effect / ambition of all Parties' commitments, in order to assess progress towards operationalizing the ultimate objective of the Convention, as set out in its Article 2 of the Convention, pursuant to paragraph 3 above;

Option 2:

a. Track the performance of the implementation of the post-2020 enhanced action;
b. Review the adequacy of the long-term aspect in the light of the objective of the Convention;
c. Review the overall progress towards achieving the objective of the Convention;
d. Consider the historical responsibilities of Parties in relation to the global temperature increase;
e. Increase the level of ambition.

82. The review / assessment / mechanism shall take place:

Option 1: Starting in [X] / after the agreement has come into effect, every one / two / four / five years;

Option 2: Immediately following the publication of each IPCC assessment reports.

83. The review / assessment / mechanism shall be:

Option 1: Applicable to developed country Parties;

Option 2: Applicable to all Parties;

Option 3: Applicable to all Parties, as follows:

a. Implementation and ambition of emission reduction commitments of developed country Parties;

b. Adequacy and progress of finance, technology and capacity-building support from developed country Parties to developing country Parties;

c. Implementation and further enhanced mitigation and/or adaptation action by developing country Parties.

84. The review / assessment / mechanism should include:

a. International revisit of the emission reduction commitments of developed country Parties;

b. Multilateral consideration of developed country Parties' commitments on finance, technology and capacity-building support;

c. Domestic reflection and international understanding of enhanced action on mitigation and/or adaptation undertaken by developing country Parties, in a manner that is non-punitive, non-intrusive and respecting national sovereignties;

d. A forum on lessons learned on innovation of sustainable development pathways among all Parties.

85. The review / assessment / mechanism to be consistent with science, on the basis of equity and sustainable development, and informed by:

Option 1:

a. Each country's progress towards the achievement of its commitments / contributions, aggregated global emission trends and the aggregate progress towards attaining the global goals established under this agreement;

b. Assessments undertaken pursuant to other provisions of this agreement of the adequacy and progress related to adaptation and finance, technology and capacity-building support;

c. A process to facilitate the clarity, transparency and understanding of Parties' commitments / contributions, whereby the ambition and fairness of Parties' mitigation commitments can be considered in the light of the long-term temperature limit;

d. The assessment reports of the IPCC;

e. Information reported by Parties on the implementation of their commitments / contributions, as set out in section J below *(Transparency of action and support)*;

f. Information communicated by Parties on their future commitments / contributions, as set out in this section;

g. A process of technical examination of mitigation potential, opportunities, co-benefits of mitigation action and policy options for enhancing mitigation ambition.

Option 2:

a. Each country's progress towards the achievement of its commitments / contributions, including information from the national communications, biennial reports, inventories and national inventory reports of developed country Parties, as well as from the review reports and the IAR process; and information from the national communications and BURs, as well as from the ICA process;

b. Assessments undertaken pursuant to other provisions of this agreement of the adequacy and progress related to adaptation and finance, technology and capacity-building support by from developed country Parties;

c. Arrangements to facilitate the clarity, transparency and understanding of the commitments / contributions;

d. The assessment reports of the IPCC;

e. Assessment against an equity reference framework by a technical panel of experts;

f. The report on the 2013–2015 review and subsequent reviews;

g. Reports of all of the existing subsidiary bodies under the Convention and new institutional arrangements established by this agreement;

h. A process of technical examination of mitigation potential, opportunities and policy options to enhance the level of ambition.

86. On the basis of the review / assessment / mechanism:

Option 1: The governing body shall recommend adjustments to Parties' commitments in response to the findings of the review / action, in order to harness unrealized opportunities to mitigate and adapt to climate change and to mobilize the necessary financial support.

Option 2: Parties to take into account the recommendations arising from the review / assessment / mechanism in preparing their successive commitments / contributions / actions / Parties to increase their level of ambition after the review, including:

Option (a):

a. Adjusting existing commitments / contributions / actions upward or communicating more ambitious mitigation commitments / contributions related to climate change;

b. Addressing barriers to and constraints on implementation related to the provision of finance, technology and capacity-building support.

Option (b):

a. Developed country Parties adjusting their existing commitments / contributions upward or communicating more ambitious mitigation commitments / contributions;

b. Developed country Parties adjusting their existing commitments / contributions upward or communicating more ambitious finance, technology and capacity-building commitments / contributions / policies / measures;

c. Addressing barriers and constraints of developing country Parties to implementation related to the provision of finance, technology and capacity-building support, and considering further action on implementation by developing country Parties.

87. ***Option 1***: The governing body shall develop and adopt modalities for the review / assessment / mechanism by 2018, drawing on lessons learned from previous review processes under the Convention and its Kyoto Protocol in order to ensure the effectiveness of the review / assessment / mechanism;

Option 2: The modalities and organization of the work on the strategic review to be developed and adopted based on and drawing upon lessons learned from previous review processes under the Convention and its Kyoto Protocol, including inter alia:

a. The review referred to in Article 4, paragraph 2(d), of the Convention;

b. The ambition mechanism under the Kyoto Protocol;

c. IAR and ICA;

d. The clarification of the quantified emission limitation and reduction commitments of Annex I Parties and the process of understanding the diversity of NAMAs by non-Annex I Parties;

e. The 2013–2015 review;

f. The multilateral consultative process for the resolution of questions regarding the implementation of the Convention, as set out in its Article 13;

Option (a): Utilizing the existing IAR and ICA processes after further amending their mandates and guidance;

Option (b): Utilizing the existing 2013–2015 review after further improving the modalities and organization of the work.

Structural suggestions on section K

Tailor the content of this section to specific areas

Move the content to mitigation section

Divide this section into two parts: section K for transparency – e mitigation and section K bis on transparency for contributions on support

Merge the ex ante consideration – consultative period and the strategic review – aggregate consideration process

Include details contained in paragraphs 76.1, 76.2, 76.3, 76.4 and 76.5 in decisions

Restructure text in paragraphs 70–73 as follows: objectives / purpose, timing, guidance on modalities

Move para 74 to transparency

Include specific modalities and procedures in decisions

Divide the review into review of individual commitments and aggregate commitments drawing on elements from paragraphs 76 and 81–87

1. Facilitating implementation and compliance

88. In order to assist Parties in implementing their commitments / contributions and/or to address compliance issues in a manner that is expert-based, non-confrontational and non-judicial:

Option 1: The governing body shall adopt procedures and/or mechanisms;

Option 2: A compliance mechanism or committee / implementation committee / a standing body responsible for promoting implementation and compliance and assessing Parties' performance is established;

Option 3: Implementation shall be strengthened through enhanced transparency, including through the consideration of the multilateral consultative process under Article 13 of the Convention;

Option 4: No specific provisions required.

For option 1 and option 2, arrangements shall cover:

a. Regarding commitments / contributions (substantive scope):

Option (a): All commitments / contributions in the agreement, including reporting;

Option (b): Specified commitments / contributions, excluding adaptation, including reporting;

Option (c): Implementation of Parties' schedules and the submission of biennial communications;

Option (d): Mitigation, MRV and accounting commitments only.

b. Regarding Parties:

Option (a): All Parties;

Option (b): Developed country Parties regarding their commitments / contributions on mitigation, finance, transfer of technology and capacity-building.

c. Structure of the mechanism / committee:

Option (a): Separate branches – an enforcement branch for Parties that have a QELRC in Annex A / to review compliance with commitments made by developed country Parties and those developing country Parties that have made economy-wide quantified emission reduction commitments, with respect to their commitments on mitigation, as well as commitments on adaptation, finance, technology transfer and capacity-building, and a facilitative branch for commitments and strategies in Annex B / to review the implementation of contributions made by developing countries and to assist them in their efforts to meet these contributions; the Compliance Committee may establish technical panels to assist them in their task;

Option (b): A standing, non-political, expert body of members who serve in their individual capacity, responsible for facilitating and promoting compliance with the obligations under the agreement;

Option (c): One body for facilitation;

Option (d): Platforms to deal with early warning, facilitation and enforcement.

d. Modalities such as:

- Membership;
- Triggers to commence a procedure:
  - Early warning for potential non-compliance;
  - Technical expert teams triggering questions of implementation.
- Procedures;
- Use of economic instruments:
  - Use of economic instruments such as market mechanisms as a way to promote compliance.
- Measures and/or consequences:
  - ***Option (a)***: Facilitative measures only;
  - ***Option (b)***: Facilitative measures and sanctions for recurring non-compliance;
  - ***Option (c)***: Facilitative measures for non-Annex I Parties and sanctions for Annex I Parties;
  - ***Option (d)***: Expert groups that support developing country Parties in the preparation and implementation of contributions.
- The Compliance Committee shall report annually to the Conference of the Parties to this agreement.

M. *Procedural and institutional provisions*

Institutional arrangements

89. *Provisions relating to the governing body of the agreement (based on Article 13(1) of the Kyoto Protocol)*: The Conference of the Parties, the supreme body of the Convention, shall serve as the meeting of the Parties to this agreement.

90. *Provisions relating to the secretariat (based on Article 14 of the Kyoto Protocol)*: The secretariat established by Article 8 of the Convention shall serve as the secretariat of this agreement. Article 8, paragraph 2, of the Convention on the functions of the secretariat, and Article 8, paragraph 3, of the Convention on arrangements made for the functioning of the secretariat, shall apply mutatis mutandis to this agreement. The secretariat shall, in addition, exercise the functions assigned to it under this agreement and the governing body.

91. *Provisions on the SBSTA and the SBI (based on Article 15 of the Kyoto Protocol)*: The SBSTA and the SBI established by Articles 9 and 10 of the Convention shall serve as, respectively, the SBSTA and the SBI of this agreement. The provisions relating to the functioning of these two bodies under the Convention shall apply mutatis mutandis to this agreement. Sessions of the meetings of the SBSTA and the SBI of this agreement shall be held in conjunction with the meetings of, respectively, the SBSTA and the SBI of the Convention. Parties to the Convention that are not Parties to this agreement may participate as observers in the proceedings of any session of the subsidiary bodies. When the subsidiary bodies serve as the subsidiary bodies of this agreement, decisions under this agreement shall be taken only by those that are Parties to this agreement. When the subsidiary bodies established by Articles 9 and 10 of the Convention exercise their functions with regard to matters concerning this agreement, any member of the Bureaux of those subsidiary bodies representing a Party to the Convention but, at that time, not a Party to this agreement, shall be replaced by an additional member to be elected by and from among the Parties to this agreement.

92. The governing body shall establish, building on the work conducted under the SBSTA regarding the framework for various approaches, means for cooperative arrangements to be defined and accounted for under the agreement, that strengthen and create synergies between mechanisms under the Convention and its related legal instruments and mechanisms established or to be established, jointly or individually, by Parties, and avoid the double counting of efforts, including:

- The Financial Mechanism;
- The Technology Mechanism;
- The flexibility mechanisms established by Articles 6 and 12 of the Kyoto Protocol;
- The new market-based mechanism defined in decision 2/CP.17, paragraph 83;
- Alternative policy approaches, such as joint mitigation and adaptation;
- A REDD-plus mechanism – The Warsaw Framework for REDD-plus;
- A mechanism for climate resilience and sustainable development;
- A joint mitigation and adaptation mechanism for the integral and sustainable management of forests;
- Subnational, national and regional emissions trading schemes.

93. *Immunities*:

Option 1: Each Party to this agreement shall accord to the persons exercising their functions on any board, panel, group or other institution established by this agreement, during their journey to and from the place of meeting, immunity from legal process. The governing body shall determine the modalities for the operation of immunities;

Option 2: No provision on immunities.

Procedural provisions – Final clauses

94. *Signature, ratification, acceptance, approval and accession (based on Article 24(1) of the Kyoto Protocol)*:

94.1 This agreement shall be open for signature and subject to ratification, acceptance or approval by States and regional economic integration organizations (REIOs) which are Parties to the Convention at a specified place and time. Thereafter, the agreement would be open for accession by such States and REIOs;

94.2 *Provisions on REIOs (based on Article 22(2) and (3) of the Convention)*: Any REIO which becomes a Party to the agreement without any of its member States being a Party shall be bound by all the obligations under

the agreement. In the case of REIOs with one or more member States that are Parties to the agreement, the organization and its member States shall decide on their respective responsibilities for the performance of their obligations under the agreement. In such cases, the organization and the member States shall not be entitled to exercise rights under the agreement concurrently. In their instruments of ratification, acceptance, approval or accession, REIOs shall declare the extent of their competence with respect to the matters governed by the agreement. These organizations shall also inform the Depositary, who shall in turn inform the Parties, of any substantial modification in the extent of their competence;

94.3 Additional requirements on deposit of instruments of ratification, acceptance, approval or accession:

Option 1: Requirements relating to the submission of national schedules at the same time as deposit of instruments of ratification, acceptance, approval or accession;

Option 2: No additional requirements.

95. *Entry into force*:

95.1 ***Option 1***: All entry into force provisions set out in paragraph 95.2 to preclude entry into force before 2020;

Option 2: Entry into force provisions to allow for possibility of entry into force by 2020.

95.2 ***Option 1***: This agreement shall enter into force on the thirtieth / ninetieth day after the date on which not less than 10/50/[X] (a number that is not over- or under-inclusive) Parties to the Convention have deposited their instruments of ratification, acceptance, approval or accession;

Option 2: The agreement will come into effect on and be implemented from 2020, subject to the deposit of [X] number of instruments of ratification, acceptance, approval, or accession;

Option 3: A double threshold that includes both a number of Parties ratifying and a percentage of global emission reductions covered by the ratifying Parties / a minimum of global emissions from Parties;

Option 4: The agreement will enter into force on [X] date ("from 2020"), provided that [X] number of Parties have deposited their instruments and that the total of emissions of such Parties constitutes [X] per cent of the global total of emissions in year [X]. If such thresholds have not been met by [X] date, the agreement will enter into force [X] days after the thresholds have been met;

Option 5: Entry into force upon either a sufficiently high number ([X]) of Parties or a percentage ([X]) of global GHG emissions covered, whichever occurs first, but not earlier than on 1 January 2020.

95.3 For each State or REIO that ratifies, accepts or approves the agreement or accedes thereto after the entry into force according to paragraph 95.1, the agreement shall enter into force on the ninetieth / [X] day after the date of deposit by such State or REIO of its instrument of ratification, acceptance, approval or accession (*based on Article 23(2) of the Convention*);

95.4 Provisions on REIOs (*based on Article 23 (3) of the Convention*): For the purposes of paragraph 95, any instrument deposited by a REIO shall not be counted as additional to those deposited by States members of the organization;

95.5 Provisional application:

Option 1: A Party to the Convention that intends to ratify, approve, accept or accede to this agreement, may at any time notify the Depositary that it will apply this agreement provisionally for a period not extending beyond the time of entry into force of the agreement;

Option 2: No specific provision on provisional application.

96. *Amendments to the agreement (based on Article 15 of the Convention)*:

96.1 Any Party may propose amendments to the agreement;

96.2 Amendments to the agreement shall be adopted at an ordinary session of the governing body. The text of any proposed amendment to the agreement shall be communicated to the Parties by the secretariat at least six months before the meeting at which it is proposed for adoption. The secretariat shall also communicate proposed amendments to the signatories to the agreement and, for information, to the Depositary;

96.3 The Parties shall make every effort to reach agreement on any proposed amendment to the agreement by consensus. If all efforts at consensus have been exhausted, and no agreement reached, the amendment shall as a last resort be adopted by a three-fourths majority vote of the Parties present and voting at the meeting.

The adopted amendment shall be communicated by the secretariat to the Depositary, who shall circulate it to all Parties for their acceptance;

96.4 Instruments of acceptance in respect of an amendment shall be deposited with the Depositary. An amendment adopted in accordance with paragraph 3 above shall enter into force for those Parties having accepted it on the ninetieth day after the date of receipt by the Depositary of an instrument of acceptance by at least three fourths of the Parties to the agreement;

96.5 The amendment shall enter into force for any other Party on the ninetieth day after the date on which that Party deposits with the Depositary its instrument of acceptance of the said amendment;

96.6 For the purposes of this Article, "Parties present and voting" means Parties present and casting an affirmative or negative vote.

97. *Amendments to any annexes to the agreement*:

Option 1: Amendments to the Annexes to this agreement, which are an integral part of the agreement, shall be adopted by the governing body and shall apply forthwith, without the requirement of a ratification process;

Option 2:

97.1 Annexes to the agreement shall form an integral part thereof and, unless otherwise expressly provided for, a reference to the agreement constitutes at the same time a reference to any annexes thereto. Without prejudice to the provisions of Article X, paragraphs x and x, such annexes shall be restricted to lists, forms and any other material of a descriptive nature that is of a scientific, technical, procedural or administrative character;

97.2 Annexes to the agreement shall be proposed and adopted in accordance with the procedure set forth in Article X, paragraphs x and x;

97.3 An annex that has been adopted in accordance with paragraph 97.2 above shall enter into force for all Parties to the agreement six months after the date of the communication by the Depositary to such Parties of the adoption of the annex, except for those Parties that have notified the Depositary, in writing, within that period of their non-acceptance of the annex. The annex shall enter into force for Parties which withdraw their notification of non-acceptance on the ninetieth day after the date on which withdrawal of such notification has been received by the Depositary;

97.4 The proposal, adoption and entry into force of amendments to annexes to the agreement shall be subject to the same procedure as that for the proposal, adoption and entry into force of annexes to the agreement in accordance with paragraphs 97.2 and 97.3 above;

97.5 If the adoption of an annex or an amendment to an annex involves an amendment to the agreement, that annex or amendment to an annex shall not enter into force until such time as the amendment to the agreement enters into force.

Option 3: Opt-in (ratification procedure).

Option 4: Simplified procedure for the mitigation commitments.

98. *Settlement of disputes (based on Article 19 of the Kyoto Protocol)*: The provisions of Article 14 of the Convention on settlement of disputes shall apply mutatis mutandis to this agreement.

99. *Voting – Right to vote (based on Article 18 of the Convention)*:

99.1 Each Party shall have one vote, except as follows: REIOs, in matters within their competence, shall exercise their right to vote with a number of votes equal to the number of their member States that are Parties to this agreement. Such an organization shall not exercise its right to vote if any of its member States exercises its right, and vice versa;

99.2 *Placeholder* for provisions with respect to Parties who put forward a joint contribution.

100. *Depositary (based on Article 19 of the Convention)*: The Secretary-General of the United Nations shall be the Depositary of this agreement:

Option 1: In addition to the normal functions of the Depositary, the Depositary should also hold and manage a repository of country contribution documents;

Option 2: No additional functions for the Depositary.

101. *Reservations (based on Article 24 of the Convention)*:

Option 1: No reservations may be made to this agreement;

Option 2: Provide for reservations.

102. *Withdrawal (based on Article 25 of the Convention)*: At any time after [X] years from the date on which this agreement has entered into force for a Party, that Party may withdraw from this agreement by giving written notification to the Depositary. Any such withdrawal shall take effect upon expiry of one year from the date of receipt by the Depositary of the notification of withdrawal, or on such later date as may be specified in the notification of withdrawal. Any Party that withdraws from the Convention shall be considered as also having withdrawn from this agreement.

103. *Authentic text (based on Article 26 of the Convention)*: The original of this agreement, of which the Arabic, Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations.

Structural suggestions

All institutional issues should be addressed in one place.

Include specific institutional arrangements under the respective elements of the agreement. Consider the relationship between the various mechanisms once there is clarity on the content of new mechanisms.

Annex / Annex A / Annex B / Attachments (for paragraph 77, options 1, 2 and 3)

[…]

10th plenary meeting
14 December 2014